

# The NATIONAL UNDERWRITER

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## Mutual, Stock Companies Disagree Over Industry-Wide Tax Formula

### Mutual Companies Set Up Their Own Committee

A definite disagreement over what should be the future federal tax formula for the life industry has developed between stock and mutual companies and has led to the formation this week of a joint nationwide effort, supported by more than a score of mutual life companies, "to develop and support a fair and economically sound pattern of taxation of mutual life companies."

After preliminary studies held last spring by the Joint Committee on Federal Income Taxation of Life Insurance Companies of American Life Convention, Life Insurance Assn. of America and Life Insurers Conference, the joint committee, according to its recent bulletin, voted at a meeting in Washington, D.C., "to pursue further the modified investment income ap-

proach along the general lines of a subcommittee report with a view toward clarification and perfecting of this method."

The modified investment income approach favored by stock companies is the one which mutual companies feel discriminates against them and their policyholders. Mutual companies have been pushing the total receipts or total net income approach to federal taxation for themselves alone, but not for the industry as a whole.

As an indirect outgrowth of the unfavorable vote, the mutual life companies, without actually breaking with the joint committee, announced their independent national public information effort and registered under Federal lobbying laws as the Temporary Committee on the Taxation of Mutual Life Insurance Companies headquartered in New York.

"The program is necessary," a com-

(CONTINUED ON PAGE 27)

### Total Receipts Plan Not Favored By Mutuals, Stocks

NEW YORK—The mutual companies have always felt that the individual policyholder, or conduit approach to the tax problem is the soundest in principle. Under this theory, the companies would pay, on behalf of their policyholders, the amount of tax that the policyholders themselves would pay individually on the true taxable income that they receive, whether as part of their dividend, their policy proceeds, or otherwise.

A strict application of this principle, however, would result in a tax to the mutuals of only about one-third, or even less, of the amount now being paid by them. The mutuals recognize the fact that however sound and equitable the individual approach might be, the great reduction in taxes that

(CONTINUED ON PAGE 27)

### House SS Bill Broader Than Expected; Senate Hearings Scheduled

By WILLIAM MACFARLANE

Although it is still too early to assess the reaction to the 375 to 2 vote of the House in passing the social security bill, the general reaction in the life industry seems to be one of surprise over its size and scope.

Because this is an election year, no one expected that either house of Congress would completely ignore this biennial vote grabber. A routine bill was anticipated by virtually every member of the industry. What was not expected was the broad scope of the bill as passed.

As far as impending Senate action on the bill is concerned, the industry is taking a hold-your-breath-and-hope attitude. Two days of hearings before

(CONTINUED ON PAGE 28)

**KICK-OFF** for a year-long celebration—President James F. Oates Jr., aided by two of Equitable Society's oldest retired employees, Thomas Longfield, 89 (left), and Harris B. Whitman, 97 (right), cut cake marking Equitable's entry into its 100th year. Ceremony was the starting event of a series which will be spread over the next 12 months and will culminate in the laying of the cornerstone for the home office building at New York.



### ESSENTIAL PROMISES WILL BE KEPT

## NALU Managing Director Schriver 'Puts The Record Straight' On Future Of Building

Lester O. Schriver, managing director of National Assn. of Life Underwriters, concerned about the confusion existing among NALU members over the future status of the association's proposed building and site in Washington, D.C., has issued a clarifying statement which he said was designed to "put the record straight."

Recently, the old NALU building committee, headed by Charles E. Cleeton, general agent of Occidental of California at Los Angeles, resigned en masse after it was informed that it would have to accept the NALU president and managing director as additional members and that it was to make no commitments or contracts without specific advance endorsement by the managing director and approval by the executive committee. Last week President Albert C. Adams, with the approval of the executive committee, appointed a new building committee under Arthur W. Defenderfer, general agent of John Hancock at Washington, D.C., chairman.

### Schriver's Statement In Full

Mr. Schriver's statement in full follows:

It seems to me that every member of NALU has a right to know exactly what is in the minds of those whose responsibility it is to carry on the new building project. My mail would indicate that there is some confusion, and it seems to me that the time has arrived to put the record straight.

This is not the time nor place to recount the trials and delays which have characterized the past six years. I shall leave that to the historians. We are concerned at this point only

with the question, Where do we go from here? That question deserves a forthright and unequivocal answer, unadorned with any superfluous verbiage, and while I am not the board of trustees, nor the executive committee, nor indeed the building committee—either old or new—the fact remains that I do know the character and temper of all concerned. Therefore, I dare assume the role of a prophet.

In the first place, the whole problem is one of good faith and integrity. Society moves forward and is kept morally solvent on promises that are kept. And I know that every essential promise will be kept, even though those promises are carried out by a group other than the one with whom the dreams of a home of our own originated.

It is conceivable that it may not be possible or practicable to build on the property which we had every right to expect that we would. Neither has it been, at this writing, finally determined that the property will have to be released to the government. On that point we have to be both realists and good citizens.

But of one thing I am certain. Regardless of who may finally be responsible for bringing the building into being, it will be in the Washington area. It will be a workshop of which we will be justly proud, and every promise to Charter Builders and other contributors will be kept. There will be provision for the display of the names of Charter Builders in living bronze.

In like manner, the In Memoriam plaques will be provided for. In ad-

(CONTINUED ON PAGE 28)

## O'Mahoney Opens Investigation Into Insurance Business

### 'Unregulated' Aviation Is First; Says Public 'Doled' \$10 Million For Trip Cover

WASHINGTON—The Senate anti-trust and monopoly subcommittee was scheduled to launch its investigation of the insurance business here Wednesday of this week. Sen. O'Mahoney, acting chairman, issued a release which declared that the public will have a "sizable stake" in the investigation because it "doled out more than \$10 million to buy trip insurance during 1957."

First witnesses scheduled were Albert J. Smith, president of U.S. Aviation Underwriters, and Byron B. May, executive vice-president of Associated Aviation Underwriters. These are the major aviation underwriters in the U.S.

"Operating in a 'no-man's land' where it is virtually free from regulation by either state or federal law, the aviation insurance industry, for all practical purposes, has been able to write its own ticket," Sen. O'Mahoney said.

### Have Companies Disregarded Public?

"Data collected by the subcommittee staff indicates that a study is needed to determine whether the private insurance companies, not being adequately regulated by any public agency, have themselves completely disregarded the public in the setting of rates air travelers and other aviation insurance purchasers are required to pay."

"We have evidence to indicate that this air travel insurance business is so profitable that the companies have been paying fantastically high rentals to airports for the privilege of selling their policies, without beginning to make the rate reductions to the pur-

(CONTINUED ON PAGE 28)

## NALC Presents Views On Life Company Taxation At Annual Meeting In Denver

National Assn. of Life Companies' taxation committee at the annual convention of the association at Denver July 25-26 outlined its views on permanent tax legislation at a panel program session. D. J. Willmon of United Bankers Life said that the committee would recommend NALC support for a moderate revision of the present Mills act formula, which he described as "the best that has so far been produced."

Under the NALC proposal, taxes would continue to be levied upon investment income, with a modified schedule of deductions described by the committee as giving the Treasury an increase of approximately 19.6%. The proposed formula would give the first \$250,000 of investment income a deduction of 90%; the next \$1 million of investment income a deduction of 85%; all investment income above \$1,250,000 a deduction of 82%.

Participating in the panel were Jefferson D. Henry of Guaranty Savings, moderator; Devereaux F. McClatchey, NALC general counsel; DeWitt H. Roberts, NALC executive secretary; Joseph J. O'Connell, Washington tax attorney and former counsel to the Treasury, and Mr. Willmon.

In making his statement to the con-

vention, Mr. Willmon said in part "Your committee has found nothing wrong with the Mills act. The basic bill is admitted by everyone to be the best that has been so far produced." He went on to say that one of the best things about the Mills act is the careful segregation of the tax formula from everything else in the bill and its easy adjustability to changed conditions. NALC has taken the position that Congress ought to fix the rates of taxes on life insurance companies, reviewing the formula from time to time and not leaving its determination to some mathematical process in the hands of administrative officials, he declared.

"The Treasury believes that there is need for revision, and while their proposed tax bill is unworkable and impractical, there is substantial evidence that there has been some increase in the profits of the industry as a whole," Mr. Willmon continued. "Undoubtedly the Senate finance committee concurs with them, and we have no reason to believe that the ways and means committee will not do so. We propose an adjustment to the formula that will make it possible for hearings to be completed in the House and Senate

(CONTINUED ON PAGE 22)

## Finish Hearings On Ark. Insurance Code

LITTLE ROCK—Arkansas insurance code commission has completed hearings covering some 30 chapters of the state's tentative new insurance laws which the commission and its special counsel, Robert Williams, Seattle, drafted in the past five months. The hearings were for the purpose of giving information as to the purpose and intent of any provision to interested persons and to receive information and suggestions for the improvement of any sections.

The hearings were well attended by representatives of all segments of the insurance business. Among the organizations and groups represented were National Board, American Mutual Alliance, American Life Convention, National Assn. of Independent Insurers, Associated Reciprocals, North America as "an independent," Arkansas Farm Bureau Mutual Fire, Lloyds of London, and Arkansas Assn. of Insurance Agents.

### Combs Presides Over Hearings

Commissioner Combs, chairman of the commission, presided over the hearings. The four other code commissioners who sat through the paragraph-by-paragraph analysis of the new code were: Louis Rosen, Little Rock local agent and past president of Arkansas Assn. of Insurance Agents; Edwin Jackson, assistant counsel National Old Line Life; M. J. Harrison, Little Rock insurance attorney and former Arkansas commissioner, president of the Passe Club International; and James I. Teague, Little Rock insurance attorney. The commission took all suggestions and comments under advisement to prepare the final code by Sept. for recommendation to the legislature next January.

Among the highlights of the hearings

### Travelers Health Case To Be Reargued

Fraizer & Fraizer, Lincoln attorneys, have received an order from the U.S. court of appeals for the eighth circuit at St. Louis, that the case of Travelers Health of Omaha vs Federal Trade Commission is set for reargument on Sept. 13. The case was originally argued Nov. 13, 1957. The court's order says reargument is ordered in view of the decision of the Supreme Court of June 30, 1958, in the FTC cases of National Casualty and American Hospital & Life. Travelers Health has until Aug. 20 to file a supplemental brief and FTC has until Sept. 10 to file a supplemental brief in response.

### National Life Of Vermont Paid For Business Shows 7% Drop For Six Months

National Life of Vermont's paid for business for the first half of 1958 dropped more than 7% compared to the same period last year. Sales totaled \$131,643,000, a decline of nearly \$11 million.

Deane C. Davis, president of National Life of Vermont, in his report to the directors at their quarterly meeting, said that the introduction of new policies may help to effect an upturn in sales for the last half of the year.

Mr. Davis noted, however, that National Life of Vermont's financial picture for the first six months "continues at a gratifying level." He said that there had been an increase in earnings on investments and that the net interest rate before federal income tax had risen from 4.03% to 4.13%. Insurance in force showed a gain of nearly 9% and amounted to \$2,109,832,000.

The Earl C. Jordan agency of Massachusetts Mutual Life at Chicago wrote a record total of \$15,423,712 in ordinary life for the first six months of 1958.

## Interstate L.&A. To Raise Capital

Stockholders of Interstate Life & Accident have approved a plan to increase capital stock from \$2 million to \$3 million. H. Clay Evans Johnson, president, said this would be accomplished by a 4 1/2-for-1 stock split and a 50% stock dividend, giving stockholders 6 3/4 shares of \$1 par value stock for each share of \$4.50 par value stock now held.

The plans approved by the stockholders are as follows:

—A plan of recapitalization will be effected whereby each stockholder will be entitled to 4 1/2 shares of new common stock with par value of \$1 a share in exchange for each \$4.50 par share now owned.

—Effective immediately after recapitalization the company will declare a stock dividend payable in the common equal to one-half share on each of the new shares, to be accomplished by transfer of \$1 million from surplus.

The result will be that each stockholder will be entitled to 6 3/4 times his present holding of shares in the new \$1 par stock and the total capital stock of Interstate L.&A. will be three million shares of \$1 par.

### P. D. Morton To Head N. Carolina A&H Assn.

Paul D. Morton of Bankers L.&C. at Charlotte has been elected president of North Carolina A&H Assn.

Other new officers are O. E. Stubblefield Sr., Raleigh, vice-president, and C. S. Wilson, Charlotte, secretary-treasurer.

### General American Holds Program

General American Life is holding a 10-week "classroom approach" training program, based on evaluations of last year's successful program. A. William Evans, director of college recruitment and training, is in charge of the program.

## North Retires, Klein Heads Metropolitan Coast Home Office

Julius O. Klein, superintendent of agencies for the Pacific coast territory



Henry E. North



Julius O. Klein

will succeed Henry E. North as vice-president of Metropolitan Life's Pacific coast regional home office at San Francisco, when Mr. North retires at the end of the year.

Mr. Klein has been with Metropolitan Life since 1913, when he started as a clerk at the regional home office. He was district manager at Burlingame, Cal., from 1929 until he was appointed assistant superintendent of agencies in 1938. He became superintendent of agencies in 1945.

Mr. North has headed the regional home office since 1937. His 46 years of service with Metropolitan Life began when he became an agent at Brooklyn in 1913. Four years later he became district manager at Clinton, Mass. He has also been manager at Portland, Me., and Roxbury, Mass.

In 1921, he became superintendent of agencies and in 1926, assistant secretary at the Canadian regional home office. He was appointed 3rd vice-president and manager of the Canadian regional home office in 1928, and then returned to the home office in New York as 3rd vice-president in charge of field education and sales promotion in 1931.

## Late News Bulletins . . .

### House Passes Employe Welfare, Pension Fund Disclosure Bill

The House has passed the Teller bill, which forces public disclosure of employe welfare and pension funds. An amendment by Rep. Bosch which would have excluded management-run plans from disclosure provisions was defeated. Section 7 of the bill requires annual reports from fund administrators and includes a provision requiring, "a detailed statement of the salaries and fees and commissions charged to the plan, to whom paid, in what amount and for what purposes."

### Dismiss North American Accident Complaint

The FTC has dismissed its complaint and set aside its cease and desist order against North American Accident. The complaint, issued in 1955, charged the company with having made deceptive claims for its A&H coverage. The commission's cease and desist order was issued in Feb., 1957, and North American Accident appealed the order in the U. S. court of appeals for the 5th circuit.

### Debit Agents Tax Ruling Clarified

Internal Revenue Commissioner Harrington announced that many debit agents are becoming unnecessarily apprehensive about the effect of a recent ruling holding that debit agents are not "outside salesmen," for purposes of federal income tax law. The ruling, published April 28, holds that industrial debit agents employed to collect premiums on, service and sell weekly and monthly policies, as well as ordinary and accident, do not qualify as outside salesmen and, therefore, are not entitled to the special treatment Congress intended for outside salesmen. Harrington said that the ruling does not preclude such debit agents from deducting ordinary and necessary business expenses which they pay or incur in connection with their employment as debit agents. Harrington said that the ruling, number 58-175, will be revised at an early date to avoid further confusion.

Illustrations courtesy of The Champion Paper and Fibre Co.

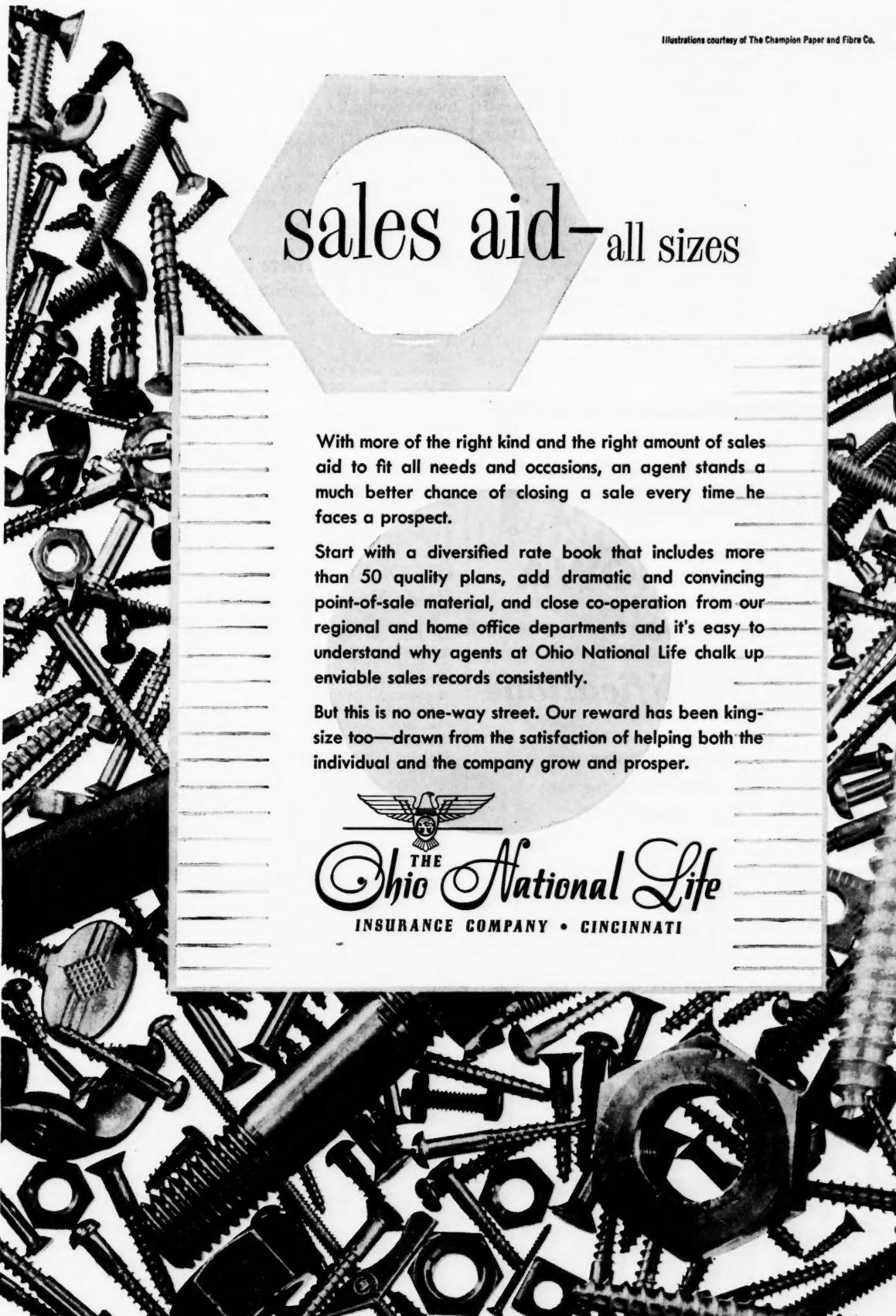
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## Introduce Senate Bill To Regulate Medical, Hospital Plan In D. C.

Senator Bible, chairman of the Senate committee on the District of Columbia, and Senators Beall and Morse have introduced a bill to reduce the number of trustees of Group Hospitalization Inc. and to subject the medical, hospital plan to regulation. The introduction of the bill is the outcome of a D. C. committee study of complaints which followed GHI's recent rate increase of 42%.

The measure, which will be taken up soon in committee, would amend GHI's charter from Congress and provide for 13 trustees, three of whom would represent hospitals participating in the plan, three appointed by the D. C. medical society and seven named by the D. C. commissioners.

The bill also provides that no increase in GHI rates or premiums shall become effective unless approved by the commissioners and that GHI shall

### New Handbook Of Southern Cal., Ariz.

A new Underwriters' Hand-Book of Southern California and Arizona has just been published by the National Underwriter Co. It provides complete and up-to-date information on the agencies, companies, field men, general agents, groups and other organizations affiliated with insurance throughout these states. Copies of the new Southern California and Arizona Hand-Book may be obtained from the National Underwriter Co. at 420 East Fourth street, Cincinnati 2, O. Price \$15.00 each.

file application with the latter for approval for such increases at least 90 days before effective date. If objections are found within 30 days after increases are applied for, the commissioners shall hold a public hearing. The commissioners would be empowered to approve, disapprove, or modify the proposed increase.

**David A. Hersh**, vice-president and general counsel of Maccabees, has been appointed to the board.

### State Mutual Family, Hospital Policies Renewable For Life

State Mutual Life's family and individual hospital policies have been revised and may be renewable for life. The policies may be issued to persons from ages 18 to 85.

The hospital policies are non-cancellable with guaranteed level premiums to age 65. After age 65 they may be renewed for life, with State Mutual reserving the right to change premium rates by class.

The hospital plans are available with or without a \$50 deductible rider.

Present policyholders are being offered the right to convert to the more liberal policies without submitting evidence of insurability.

### N. Y. Life, Teachers I. & A. In 30-Year Leaseback Deal

New York Life, in a three-way transaction with Teachers Insurance & Annuity and the Central Third Corp., has agreed to buy a block-long parcel of land located on Third avenue in New York and a 27-story building being erected on it. Teachers is the present owner of the land and Central Third is the company for which the building is being erected. The agreement becomes effective when the building is completed sometime next spring, at which time New York Life will then lease it to Teachers on a net rental basis for 30 years with options for renewal.

## Kolodny Of Postal Life: Agency System Beats Mail Order

George Kolodny, president of Postal Life, in opening a three-day convention of agents at Upper Saranac Lake, N. Y., said that since Postal Life changed from a direct mail operation to the agency system in 1948, premium income increased from \$1 1/2 million to \$5 1/2 million.

Noting that the \$1 million premium income was achieved in years of business operations and the larger figure was reached in the last 10 years, Mr. Kolodny said, "When we adopted the agency system, the situation changed from a record growth that was relatively slow to one that exceeds the standards or average of the industry today.

"This year," Mr. Kolodny predicted, "our agency force expects to produce over 10 times as much business as was paid for in the best year under the direct mail plan. From 1905 to 1953 we reached our first \$100 million of business in force. In just the past 4 1/2 years, we added another \$100 million. In 1948, our assets were less than \$15 million; today they total over \$25 million."

### Has Tried Mail And Agencies

Pointing out that Postal Life is in the position of having tried both mail and agency systems, Mr. Kolodny said, "Thus we can compare a direct mail operation with the agency system, and few life companies are more cognizant of the value of their agency force than we are.

"Under the direct mail plan," he said, "maximum sales in any one year stayed under \$5 million. Further, the company reached a plateau where business in force and premium income had a tendency to level off. The fact that the company was operating on a national basis made it well known, but growth was not consistent with that of the industry over the years.

Saul Rosenthal, vice-president and actuary, introduced Postal Life's family plan to agents at the convention. Features of the plan include double indemnity on the lives of the children as well as on the husband and wife, waiver of premium and payor benefits on the father. In the event that the wife predeceases her husband before his age 65, the benefit on her life will be paid and an equal amount of coverage will be added to the husband's coverage.

### A Further Feature Of Family Plan

Another feature of the family plan, Mr. Rosenthal reported, is that children's benefits always run to age 25, even if it means going beyond the father's age 65. At age 25, they convert to permanent insurance up to five times the amount of the benefit. The full benefit is given to babies over 15 days old, rather than no benefit only a fraction of the full benefit.

The plan will be written substantially to 500%. A family income rider providing \$50 to \$150 a month for each unit may be added.

Mr. Rosenthal also said, "It has been a practice to write term insurance on the lives of children, but can now be bought through the family plan. The big advantage of the family plan as far as insurance on the children is concerned is that in many instances it places juvenile insurance in its proper perspective—\$5,000 for the father for every \$1,000 on each child."

# CAREER Opportunity

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## Institute Of Life Insurance Issues 1958 Fact Book

Although the rising cost of living continued to make further demands on the consumer dollar, American families during 1957, put 3.9% of after-tax income into life insurance, a slight increase over 1956. Life insurance ownership per family rose to \$8,300 in 1957, a gain of 9% in the year and a 57% rise in five years. The average per family was reported as being equivalent to about 18 months of current disposable income.

These figures, based on life insurance owned with the legal reserve companies, are reported in the 1958 "Life Insurance Fact Book" prepared by Institute of Life Insurance.

Altogether, life insurance issued by the companies covered 109 million Americans for over \$458 billion of protection at the start of this year. Additional life insurance in force with fraternal and assessment organizations, savings banks and U.S. government veterans' life insurance brought total family ownership to over \$500 billion on 121 million Americans at the start of 1958, reports the fact book.

Although there was a leveling off in business activity, American families continued to add to their future financial security by purchasing in the past year a record \$67 billion of life insurance from the nation's 1,300 life insurance companies. The new purchases were one-fifth larger than the record established in 1956.

Reasons for the greatest buying year in life insurance history, according to the fact book, included the development of several new policy plans and improved merchandising methods. Particularly cited was the family plan policy covering all family members under a single contract, which accounted for one-fifth of the 1957 purchases of ordinary. This was accomplished in the family policy's first full year of general availability.

The payment of benefits under life insurance policies continued at a record pace in 1957, with \$6.7 billion being paid to American families through their life insurance and annuity programs, the fact book also discloses. Nearly 60% of this total represented "living" benefits to policyholders.

At the end of 1957, there were more than 266 million life policies and group certificates assuring future family protection, nearly 5.6 million more than the previous year and about 1 1/2 times the number in force ten years

### SELECTION CHOICE LIFE POSITIONS \$16,500-\$7,500

Midwest	— Life Actuary	\$16,500
Chicago	— Life Adm. Mgr.	\$15,000
Southwest	— Life Agcy. Direct.	\$15,000
South	— Group Life (Indst. F. M.)	\$12,000
East	— Life Undr. Supv.	\$8,500
Midwest	— Assistant-Pres.	\$8,500
South	— Life Underwriter	\$7,500

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ago. The fact book notes an average ownership of about five policies per family at the end of 1957.

By type of insurance, ordinary life with an ownership total of \$264.7 billion under 87 million policies provided the greatest part of the protection in 1957. The year's increase in ordinary ownership was \$26.6 billion greater than the total of such insurance in force in 1919.

A further expansion of employee group insurance resulted in a 1957 ownership total of \$133.8 billion, an increase of 14%. Reporting that there were more than 37 million individual certificates outstanding under 120,000 master contracts in 1957, the fact book points out that this represented life insurance for more than one out of every two persons in the nation's civilian non-agricultural work force.

Life insurance company assets, representing for the most part the future obligations to policyholders, passed the \$100 billion mark in 1957, the fact book says. New capital funds of over \$5 billion were made available for investments in 1957.

## Life Medical Fund Gives \$1,098,680 For Heart Research

Life Insurance Medical Research Fund has given 81 awards totaling \$1,098,680 in support of heart research during the coming year. Fifty-seven awards are in the form of grants to research institutions—medical schools, universities and hospitals—for specified projects in basic heart research. The institutions are located in 18 states, District of Columbia, Puerto Rico, four Canadian provinces and the Netherlands.

### 24 Additional Awards

The grants will enable researchers at these institutions to investigate aspects of cardio-vascular disease such as diet, the heart itself, coronary occlusion, rheumatic fever, high blood pressure and heart failure.

An additional 24 awards are fellowships given to men and women with Ph.D. or M.D. degrees who show promise as researchers in heart disease.

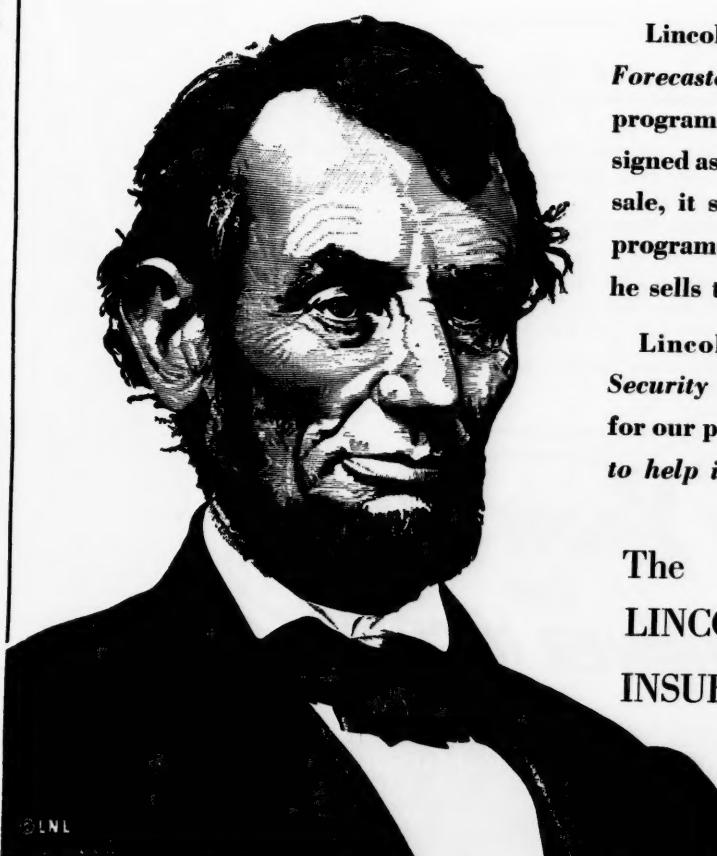
The fellowships will enable them to spend the next year studying under the direction of specialists in the field. The amounts of these fellowships range from \$3,900 to \$5,600.

## Manufacturers Life Of Canada To Mutualize

At a special general meeting, stockholders and participating policyholders of Manufacturers Life confirmed a by-law setting out a plan for mutualization of the company by purchase of its own capital stock. The stockholders voted 119,333 shares in favor and 50 against. The participating policyholder votes were 229,832 in favor and 135 against.

The by-law provides that the company will accept offers for the sale of its outstanding shares at a price of \$275 (Canadian) per share. President G. L. Holmes stated that after offers have been received from holders of 50% of the shares, the next step will be to apply to the Treasury Board of Canada for sanction of the by-law.

## A New Approach To Program-Selling



### Lincoln National's Family Security

**Forecaster** brings a new approach to program-selling. What's more, designed as a one-interview programming sale, it saves time. With it, the agent programs only the cases he sells, *after* he sells them.

Lincoln National's new **Family Security Forecaster** is another reason for our proud claim that **LNL** is geared to help its fieldmen.

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# Fire Agents Give Views On Life As Competitive Facility Or Threat

(Herewith are presented more comments from local, property insurance agents who were asked if they thought a life department an essential competitive facility for them in the days ahead. More comments will be published in future issues.)

We believe a life insurance department is going to become a necessary facility to the independent agent in the future as we believe it is only a matter of time until the life companies will have their charters so amended that they will be in the general insurance business, and that is when the ice cream will hit the fan. In all probability they would be in it today but for the staggering underwriting

losses of most casualty companies, plus the fact that trained personnel is a problem.

We do not operate a life department as such—we tried it on two occasions, and it did not work out, primarily because we didn't have the right man. The company men come into our office and our producers take them out to prospects and actually the life specialist does most of the selling. However, our boys do sandwich life insurance in with their other business principally where a contractor gets a job. It is good business for a contractor to take a term life policy not only to protect him but to protect the bank that will help him finance the job. It is good quick money and is the only insurance that I know where, if you made a mistake on it, when a loss

occurs you don't have to argue with the insured. The greatest problem in getting a life department organized is to get the right man and what to pay him because if you have the right man, he can get just about the same contract you have and keep the renewal commissions himself.

Therefore, the only advantage for a life man to be in an office such as ours would be the entree and the prospects we would have tailor-made for him.

\* \* \*

We do not have enough business to write monthly premium payment plans for those for whom we write personal or commercial coverages. The A&S in our opinion should be in the life department because you can get a major medical plan along with group

life, and it goes together like bacon and eggs.

We are again giving consideration to setting up a life department, as the main reason we want it is just competition. I still think there will always be a place for the independent general insurance agent whether not he offers life insurance provided he has good commercial accounts. I do believe eventually he is going to have to work with a life man to give his client an over-all program. The kind of life program the independent agent should have is one that has a mortgage connection. Whether he wants a real estate department or not if he could tie up with a real estate broker who does not handle insurance there would be a great advantage in his placing life insurance on the persons borrowing money from the life companies.

\* \* \*

As far as we know, only one of the ten largest general insurance agencies in this city has a life department. Another agency started a separate life department, but discontinued it a few years later.

We do not believe that a life department will be an essential competitive facility in the times ahead. We do feel that more general insurance agents will be handling life insurance on a small scale, particularly in small communities, and in instances where estate planning and tax analysis is not really important.

On the other hand, we do not feel that these general insurance men will be hurt at all with their substantial clients by recommending a CLU or competent life underwriter. As a matter of fact, we feel that our prestige is heightened by explaining the need for a full time life insurance agent to substantial clients.

We do not feel that the operation of a separate life insurance department will result in any advantage to our competitors. Such has not been the case in the past, and I do not believe it will be so in the future. Nor do we feel that, generally speaking, there is a place for the agency specializing in certain lines or in certain types of clients.

The arranging for, as opposed to the hard selling of, life insurance will undoubtedly become more important to the general insurance agent in the years ahead. However, he should make it clear to his customers that in case any estate problems can be foreseen the customer should consult a trained life underwriter. Very few agencies will provide a separate department for that underwriter because the problems are so different from those of the general agency.

So far, we have not been using a monthly premium payment plan for any clients. However, we can foresee the time when such plans will have become firmly established.

\* \* \*

Yes, we believe a life department is essential, as other agencies are competing for our casualty business with the entree through group and life.

We have operated a life department for the last two years. We are attempting to develop specialists but to date have not been successful with personnel. A&S and life are handled together.

Our special problem is personnel of a different type salesman, a more aggressive and harder selling individual.

Although men continued to own the major share of life insurance, women owned over \$65 billion of protection at the end of 1957.

## ✓ Check these features of STATE MUTUAL'S Sickness & Accident non-canc., guaranteed continuable loss-of-time coverage

- **ALL PLANS ARE PARTICIPATING.** Present dividend, beginning at 12%, paid on third anniversary. (Not guaranteed, based on current scale.)
- **NO AVIATION RESTRICTIONS.**
- **NO FOREIGN TRAVEL RESTRICTIONS.**
- **NO AVERAGE EARNINGS CLAUSE.**
- **NON-HOUSE-CONFINING... FULL BENEFITS PAID... NO PROBATIONARY PERIOD.**
- **INCONTESTABILITY.** (Company cannot contest policy after it has been in force two years.)
- **WAIVER OF PREMIUM.** (After four months *throughout total disability* not just through indemnity paying period.)
- **PARTIAL ACCIDENT BENEFITS PAYABLE BEFORE, AFTER OR WITHOUT TOTAL DISABILITY.**
- **LEVEL PREMIUM.** (Premiums remain same throughout entire life of contract.)
- **FIVE-YEAR SICKNESS AND ACCIDENT COVERAGE.** (Disability due to sickness, prior to age 65 entitled to benefits up to *full five years*, if disability is continuous.)
- **TEN-YEAR SICKNESS AND ACCIDENT COVERAGE.** (Sickness benefits paid up to ten years or to age 65, if less, but not less than two-year maximum.)
- **ACCIDENT CLAUSE READS** "Resulting from accidental bodily injuries" and not "by accidental means" — a vital difference.
- **STATE MUTUAL ISSUES DISABILITY TO AGE 65.** One of the few Companies issuing this plan. For disabilities commencing after 63rd birthday, we guarantee a two-year maximum benefit period.

Ask us about special class underwriting.

**SET YOUR SIGHTS  
ON  
HIGHER INCOME**

STATE MUTUAL LIFE  
ASSURANCE COMPANY OF AMERICA  
Home Office: Worcester, Massachusetts



JEROME K. BARRETT

## Where else could I build such financial security?

Mr. George A. Landis, Regional Manager  
Los Angeles, California

Redding, California  
May 26, 1958

Dear George:

It is with eager enthusiasm that I look forward to the time when I will undertake an assignment as General Agent for the Franklin Life Insurance Company.

Starting as I did with no insurance experience at all, my first full year in the business produced an income of \$7,847. Last year it was \$8,500. This year, so far, I have sold \$306,602, for an annualized premium of \$11,372. So 1958 should see me paying income tax on well over \$15,000. I know the real meaning of the slogan, "An agent cannot long travel at a faster gait than the company he represents."

I am tremendously grateful to Franklin Life Insurance Company for the wonderful opportunity and merchandise presented to me. Where else can a young, aggressive fellow go into business with no experience, no investment, and no overhead, and build such financial security?

I feel that this is only a beginning.

Sincerely,

Jerry Barrett

GENERAL AGENCY  
OPPORTUNITY IN  
SAN ANTONIO,  
TEXAS

*An agent cannot long travel at a faster gait than the company he represents!*



*The Friendly*  
**FRANKLIN LIFE INSURANCE COMPANY**

CHAS. E. BECKER, PRESIDENT

SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

*The largest legal reserve stock life insurance company in the U.S. devoted exclusively to the underwriting of Ordinary and Annuity plans*

*Over Two Billion Nine Hundred Million Dollars of Insurance in Force*

## CLU Exams Revised; Won't Be Any Easier

A CLU examination procedure that cuts written discussion in half and gives graders a more reliable picture of a candidate's preparation has been approved by the executive committee of American College to be effective in June, 1959, examinations.

Since the first CLU tests were given in 1928, the college has relied entirely on what is known as the essay type examination. For each of the five parts

of the study program, candidates have taken a four-hour test requiring written explanatory answers.

Because of the development in recent years of testing techniques that permit broader coverage of subject areas and, at the same time, lend themselves to machine scoring, the college two years ago began a serious study of methods by which examinations could be made better balanced and

fairer, although not easier necessarily for the average candidate.

The college also faced the growing problem of sheer numbers of examination books that had to be carefully and equitably graded. This year's examinations required more than 11,000 individual gradings by 65 members of a board of professional graders drawn from throughout the U. S.

### 100 Objective Questions

As explained by Dean Herbert C. Graebner, after the annual meeting of

the executive committee, the new testing plan will embrace 100 quick-answering "objective" questions of a multiple choice type on which candidates will be given one hour and 45 minutes. Following a 15-minute recess, the rest of the exam will consist of five essay questions which will require handwritten answers.

Questions in the objective section will provide a wide coverage of nearly all assignments in the particular part studied and will be multiple choice questions. Many will be problem questions; there will be no true-false questions.

CLU students who find it difficult to express themselves in the written medium should benefit, the college pointed out. Students who have some assignments "down cold" but might otherwise experience the misfortune of taking an essay examination that completely overlooks the well-learned parts, will find the new examination procedure to be to their advantage because it will test them on all areas of study material.

### Explains Combination Plan

Candidates who find four hours of almost continuous writing to be an exhausting ordeal will be among the main beneficiaries, college officers believe. The combination plan will call for only two hours of writing following a mid-point break.

In appraising and revising the CLU examination procedure, the American College consulted with outside educational organizations and with its own council of educational advisors. It has worked particularly with the Educational Testing Service of Princeton, N. J., an organization specializing in modern testing techniques.

Educational Testing Service made a thorough study of present CLU examining procedures and indicated to the examination board that a combination objective and essay examination would ease the grading problem and would examine the breadth as well as the depth of a candidate's knowledge.

### Advantages Are Listed

In recommending the adoption of a combination of essay and objective examinations, Earl R. Trangmar, chairman of the college's examination board, listed the following advantages. They will minimize the "fatigue factor" inherent in a four-hour essay type examination; increase the opportunity of candidates to demonstrate their full knowledge of the subject area because of the broader coverage of each examination; reduce the work involved in grading; and enable the college to administer a larger number of examinations with assurance of validity of examination results and equity for all candidates.

A printed brochure to explain the new examination method and to familiarize candidates with objective type testing is being printed by the college and will be available shortly.

### Explanatory Brochure Quoted

In discussing the objective questions to become a part of the 1959 examinations, the explanatory brochure says: "Although facts are the basic tools with which you will work in taking the objective part of the examination, cramming and memorizing of facts is not likely to get you a good score. You must learn to think with the facts, and to use them in solving problems."

The brochure contains a section of sample objective test questions so that interested individuals may become familiar with the type of questions that will be used in future CLU examinations.



## How to meet the challenge of your work

**L**IFE underwriting has changed considerably in the last decade. If you are like most of your fellows, you are faced almost daily with new questions, new situations, new challenges to your skill.

These require creative thinking about your work. Most authorities agree, today, that creativity is the result of the working together, within a man's mind, of a constantly increasing store of knowledge. Constant study of the field of your activity provides the facts and basic information which enable you to do creative thinking.

You'll go farther in adding to your knowledge of your work if you study on an

organized basis. Today more and more life insurance men and women are doing just this sort of thing through the program of the American College of Life Underwriters. In 30 years, nearly 7,000 have won the CLU designation.

CLU study groups will get under way in September in close to 200 cities, largely under university auspices. Discuss it with your General Agent or Manager, or your local CLU Education Chairman, or write for more information to Dean Herbert C. Graebner, American College of Life Underwriters, 3924 Walnut Street, Philadelphia 4, Pennsylvania.

**The Connecticut Mutual**  
LIFE INSURANCE COMPANY · HARTFORD

## A Great Sales Team reaches New Highs

**190, or 1 in 8.1,**  
of our full-time representatives are 1958 MDRT Members

**237, or 1 in 6.5,**  
of our full-time representatives are CLUs

**596, or 1 in 2.6,**  
of our full-time representatives received the 1958 NQA

### IN 1957...

\$29,712 was the average earnings of our 100 leading producers

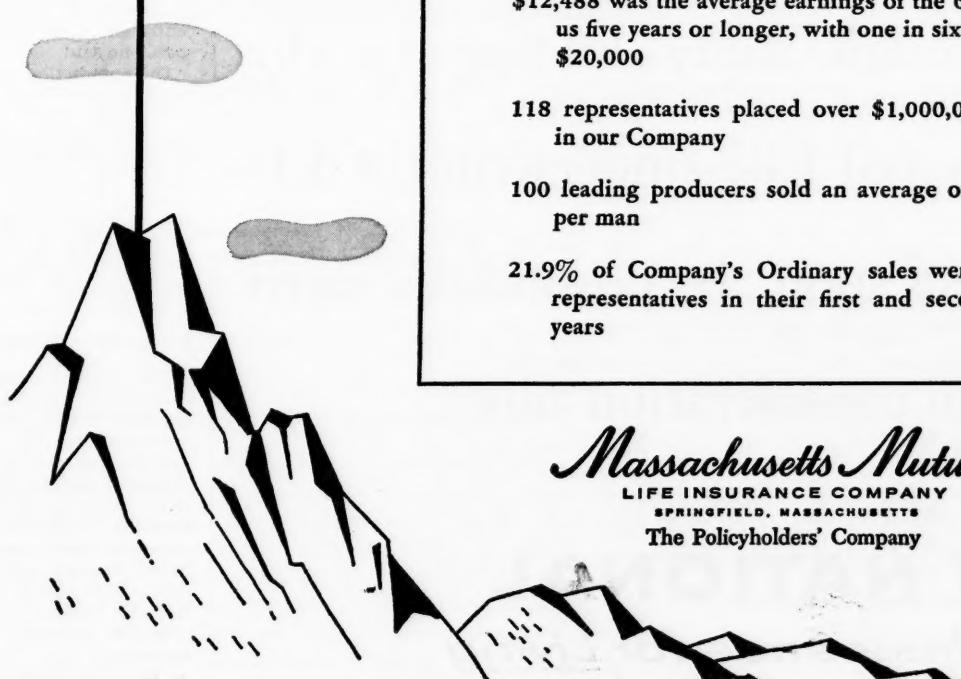
\$12,488 was the average earnings of the 615 men with us five years or longer, with one in six earning over \$20,000

118 representatives placed over \$1,000,000 Ordinary in our Company

100 leading producers sold an average of \$1,454,004 per man

21.9% of Company's Ordinary sales were placed by representatives in their first and second contract years

**Massachusetts Mutual**  
LIFE INSURANCE COMPANY  
SPRINGFIELD, MASSACHUSETTS  
The Policyholders' Company



## 10,000 TV Showings For Bankers L. & C. Public Service Film

"America's Hidden Assets," a public service film paid for and sponsored by Bankers Life & Casualty, has had over 10,000 video showings since it was issued in 1954 and is still being displayed on TV an average of 12 times a day, according to K. Vernon Banta, technical advisor to President Eisenhower's committee for the em-

ployment of the physically handicapped.

The film, which is the story of Bankers L.&C.'s personnel policy of hiring the physically handicapped, Mr. Banta said, has had about 30% of its showings on class A time, and if customary card rates had been charged, the bill today would have totaled over \$4 million.

At the time the film was released, Bankers had about 3,500 employed in the home office, one-third either over-age or physically disabled to some extent.

## Longevity Gains Will Slack Off, Says Life Institute Consultant

Americans will continue to make great strides in health in the remaining 42 years of this century, but they won't gain nearly as many years of increased longevity as they did in the first 58 years, according to Dr. Louis I. Dublin, statistician and consultant in health and welfare of the Institute of Life Insurance.

Your business is to help people chart their family's future success. But while you're doing that, don't overlook doing a better job of charting your own future success. One way to create bigger career opportunities for yourself is to broaden your professional knowledge through study leading to the degree of Chartered Life Underwriter. CLU enrollment opens soon. Its possibilities merit your thoughtful consideration now.

**N/W NATIONAL**  
*Life Insurance for Living*

NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY • MINNEAPOLIS, MINNESOTA

"Estimates by actuaries in government service, and in the life insurance business, indicate that the present average length of life of 70 years may be extended to a maximum of 75," Dr. Dublin reported. In other words, the gain in the course of the next four decades will be of the order of five additional years to the average length of life. This is in contrast with the gain of 22 years since 1900. Longevity, it is generally agreed, will remain fairly constant after the year 2000."

The tremendous advances in health and longevity since 1900 were gained primarily in the younger ages of life when infectious diseases wreaked the biggest toll. In a sense, Dr. Dublin said, it has been relatively easy to win control over such diseases as diphtheria, diarrhea and enteritis, typhoid fever, and even to bring tuberculosis down to its present low levels. The results are startling: more than 7 out of 10 Americans under 65 today will live to reach that age.

### Complex Factors Involved

Future gains in longevity will depend on how much control can be made over the diseases and conditions that prevail at the older age, the causes of which are still not fully understood. Chief among these diseases are cancer and heart disease. Unlike infectious diseases, which stem from a conquerable virus or germ, the diseases of older age are the result of complex factors inside the body, and in the environment that surrounds it, Dr. Dublin said.

He noted that the "exceedingly low mortality now existing at the younger years makes it appear that further progress in this range of life will be very small."

"Future savings in mortality that will be accomplished in the next 40 or 50 years must come almost entirely from control over cardiovascular-renal diseases, cancer and accidents, which combined, account for more than three-quarters of all deaths today. But any gains in these areas must be limited in amount because they will be concentrated in the latter half of the life span," he said.

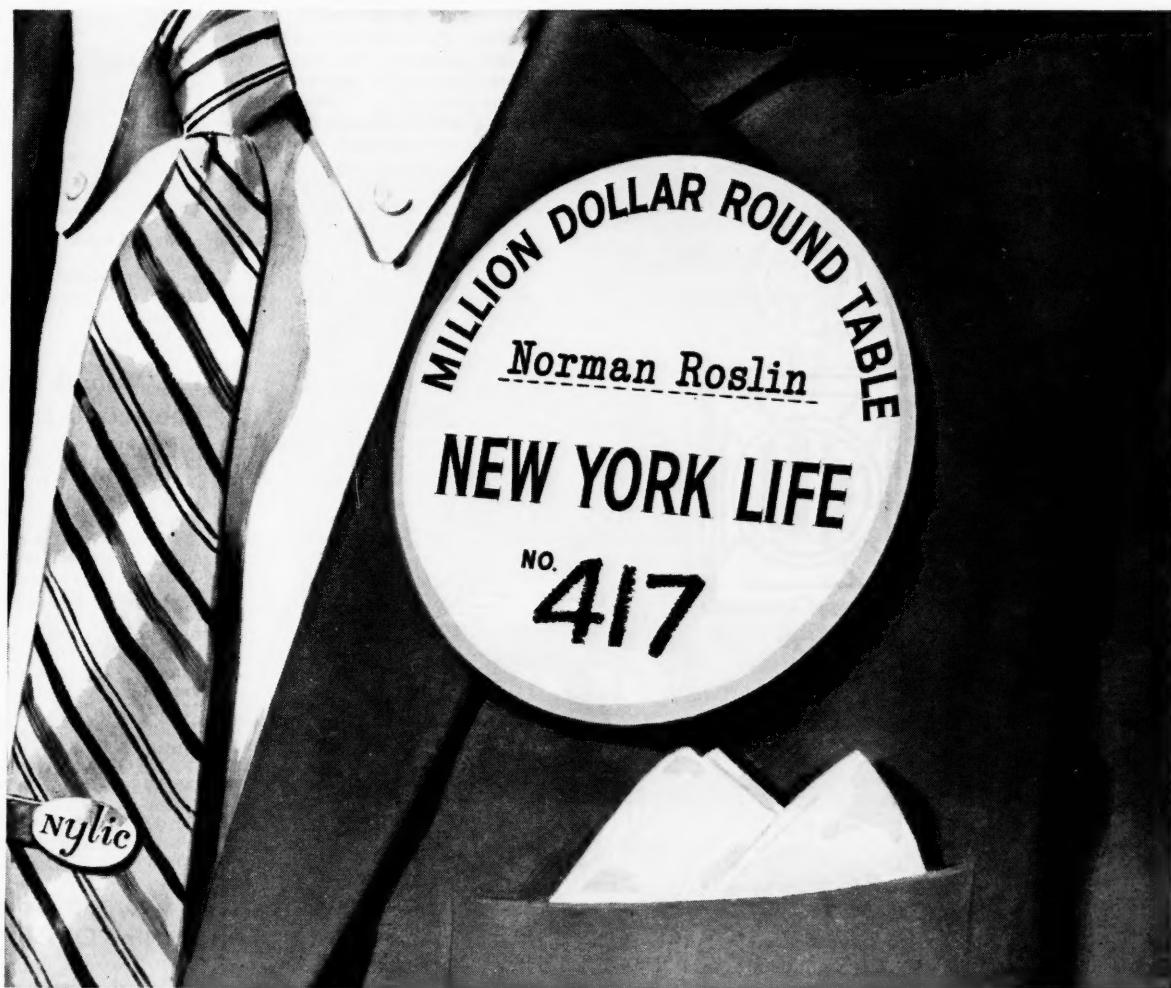
The predictions point up the increased importance of the period of retirement, Dr. Dublin observed. By the year 2000, those 65 years of age and over will reach close to 30 million, double the present number. The average 21st century man arriving at age 65 should have an additional 18 years of life, and the average woman an additional 18 years, three years more than the averages of the sexes at the present time.

### Longevity Changes Family

The great increase in the number of persons attaining the later years and their longer period of survival will have material significance for American families, not only in their financial planning, but in many other ways, he said. Growing in importance in the years ahead will be the need for well-organized plans for retirement income, better housing and recreational facilities, and particularly better provisions for health care.

In Dr. Dublin's opinion, it will be incumbent on the community, as well as the individuals concerned, to make the lives of senior citizens more agreeable.

Dr. Dublin also observed, "As is well known, women live longer than men. In the future, as length of life increases, the difference in longevity between the sexes will become less extreme. Nevertheless, women will continue to outlive men."

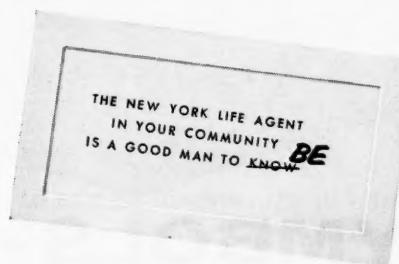


## Again New York Life agents set a record with 417 seats at the Million Dollar Round Table!

**For the fourth consecutive year, New York Life leads all other companies in the number of agents receiving this high industry honor.**

It's another banner year for New York Life with 417 of the Company's agents earning recognition at the 1958 Million Dollar Round Table—and to each and every man who qualified for this high honor go our heartiest congratulations.

We're proud of this record of continuous leadership. We feel it offers convincing evidence of the sincerity and enthusiasm with which our agents serve their clients. We also believe that it is a good indication of the growing popularity of New York Life's modern policies and of the effectiveness of our Advanced Training Program. Most of all, it demonstrates why we say "The New York Life agent is not only a good man to know—but also a good man to be!"



### New York Life Insurance Company

51 Madison Avenue, New York 10, N.Y.

A MUTUAL COMPANY  FOUNDED IN 1845

Life Insurance • Group Insurance • Annuities • Accident & Sickness Insurance • Pension Plans

## United L.&A. Revises Indemnity Agreement On Bank Check Plan

United Life & Accident has revised and broadened its indemnification agreement for banks participating in its "Prem-A-Check" plan, a pre-authorized check plan for premium payments.

An unusual feature of the indemnity agreement is a paragraph in which United L.&A. consents "To defend at our own cost and expense any

action which might be brought by any depositor or any other persons because of your actions taken pursuant to the foregoing requests, or in any manner arising by reason of your participation in the foregoing plan of premium collection."

### Southern Life & Health Raises Limits

Southern Life & Health has increased its non-medical limits at ages 0 through 35 to \$10,000. Total non-medical limit (after 12 months) since last application supported by medical examination has been increased to \$15,000.

## New D. C. Quarters For North America Office

North America will take a long term lease for its Washington, D. C. service office in a two story with ground floor, brick building which will be completed in December at 2133 Wisconsin avenue, N. W.

The parent, the indemnity company and the life company will occupy the entire first floor and a portion of the second. The rest of the 18,000 square foot building will be rented. It will be completely air conditioned.

## Ray W. Melvin Joins Health Insurance Assn.

Ray W. Melvin has joined Health Insurance Assn. as assistant director of company relations. Prior to his appointment with HIA, Mr. Melvin had been regional group and area manager of Massachusetts Bonding & Surety Co. at New York. Before that he was eastern regional group manager of Security Mutual of New York. He held the same position with Zurich. Mr. Melvin entered the insurance field as an agent in the New York-New Jersey areas.

## Nw Mutual Policyholders Reelect 10 Directors

Ten men were recently reelected to the board of trustees of Northwestern Mutual Life at the annual election by policyholders at the home office. They were:

From Milwaukee: Louis Quarles, senior partner in the law firm of Quarles, Herriott & Clemons; W. D. Van Dyke Jr., president of Mineral Mining Co.; Clark M. Robertson, attorney and counselor; Charles F. Isle banker; Frazier D. MacIver, president Phoenix Hosiery Co.; Robert S. Stevenson, president Allis-Chalmers Manufacturing Co., and Howard J. Tobin, vice-president Northwestern Mutual.

Also, Ethan A. H. Shepley, chancellor Washington University, St. Louis; Theodore G. Montague, chairman Borden Co., New York, and Charles J. Whipple, chairman Hibbard, Spence Bartlett & Co., Chicago.

## J. Crossan Cooper Named Trustee Of Penn Mutual

J. Crossan Cooper Jr., Baltimore lawyer, has been elected a trustee of Penn Mutual. Mr. Cooper, a partner in the law firm of Venable, Baetjer & Howard, is a past president of the Baltimore bar association and former vice-president of the Maryland bar association.

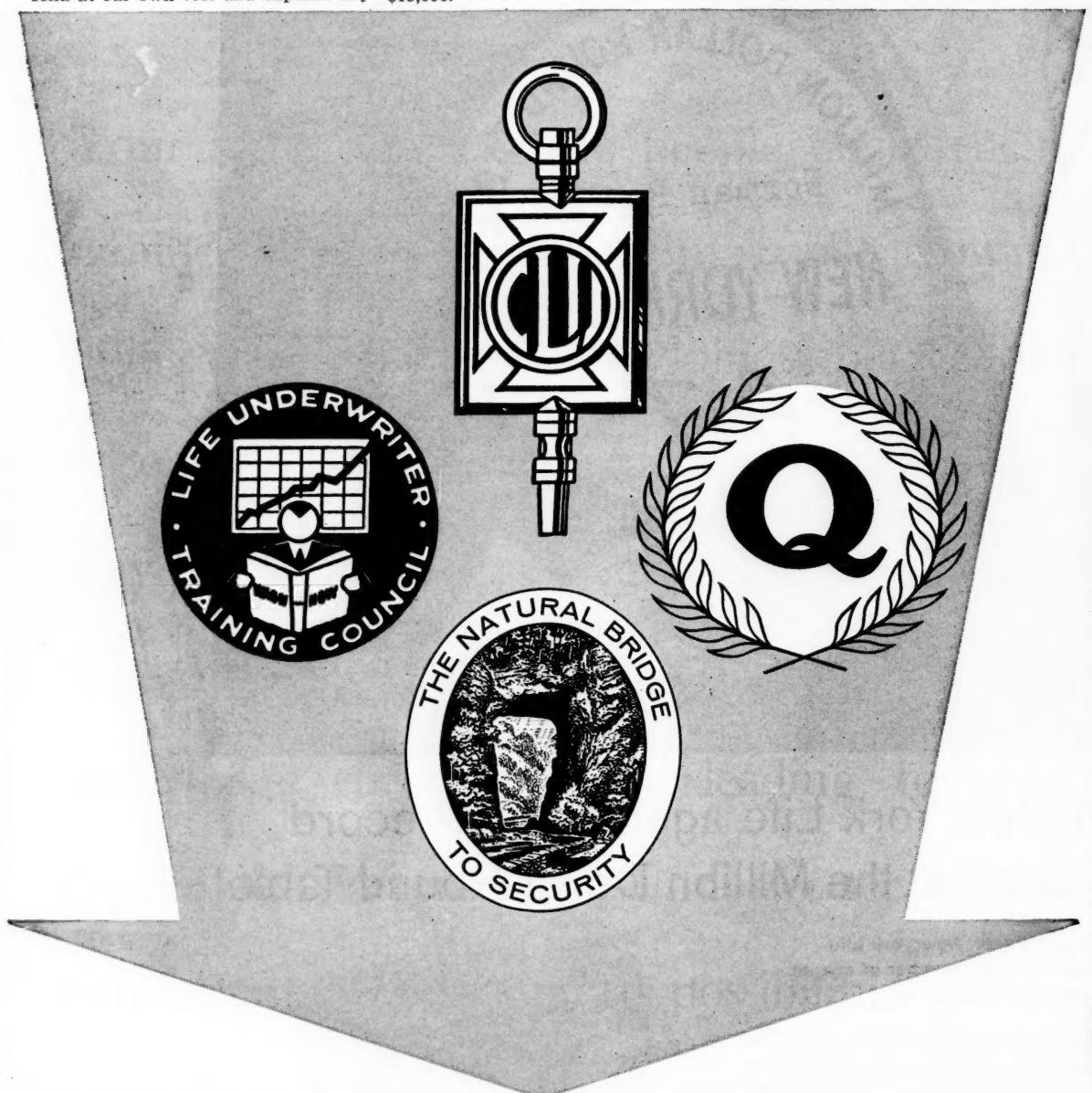
He is a trustee and vice-president of Johns Hopkins hospital, member of the joint board of trustees of Johns Hopkins hospital and Johns Hopkins university and trustee of the Johns Hopkins fund.

## MANAGEMENT A CONSULTANTS

**O'TOOLE ASSOCIATES**  
Management Consultants  
To Insurance Companies  
Established 1945  
220-02 Hempstead Avenue  
Queens Village 29, N. Y.

**BOWLES, ANDREWS & TOWNE, Inc.**  
ACTUARIES  
MANAGEMENT CONSULTANTS  
LIFE—FIRE—CASUALTY  
EMPLOYEE BENEFIT PLANS  
RICHMOND ATLANTA NEW YORK  
PORTLAND

**CONSULTANTS**  
IN MARKETING AND  
FOR THE  
MANAGEMENT  
INSURANCE BUSINESS  
**FRANK LANG & ASSOCIATES**  
ONE NORTH LASALLE ST.  
CHICAGO 2, ILLINOIS  
521 FIFTH AVENUE  
NEW YORK 17, N. Y.



## FOUR SYMBOLS - ONE GOAL

Each of these symbols identifies an organization that is dedicated to establishing and maintaining the highest standards of life insurance service.

The coveted Chartered Life Underwriter key symbolizes the topmost professional educational attainment. The Life Underwriter Training Council's badge represents industry responsibility in passing on lessons of practical experi-

ence. The National Quality Award "Q" is recognized as a reward for superior quality of life insurance service to the public.

The fourth symbol is the emblem of The Life Insurance Company of Virginia, a company that encourages and supports the activities of all organizations dedicated to the education, training and development of the professional life insurance salesman.

**THE LIFE INSURANCE COMPANY OF VIRGINIA**  
SINCE 1871 RICHMOND, VIRGINIA

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## NALU Nominating Committee Names Slate Of Candidates

The nominating committee of National Assn. of Life Underwriters has presented the slate of candidates for the election to be held during the NALU annual convention at Dallas, Sept. 7-12.

A committee report stated that J. Hicks Baldwin, treasurer, New England Life, Washington, D. C., had asked that he not be proposed for reelection.

The slate includes Oren D. Pritchard, Union Central Life, Indianapolis, for president; William S. Hendry Jr., Mutual of New York, Columbia, S. C., for vice-president; Louis J. Grayson, Travelers, Washington, D. C., for treasurer, and William E. North, New York Life, Evanston, Ill., secretary.

Nominated for the board of trustees were W. E. Arenstein, North American Life and Casualty, Bismarck, N. D.; Robert S. Clayton, Liberty National Life, Mobile; Robert W. Frye, Northwestern Mutual, Denver; Paul R. Green, Aetna Life, Seattle; Edward M. Hicklin, Occidental Life of N. C., Burlington, N. C.; John Z. Schneider, Connecticut General, Baltimore; R. B. Walker, New York Life, Hollywood, Fla., and R. Edwin Wood, Phoenix Mutual, San Francisco.

Mr. Walker is the only one of those nominated for the board who is presently holding a seat as trustee.

## National Life Of Vermont Has New Policies, Rider

National Life of Vermont has brought out two new policies devised to meet needs of split-dollar plans as well as bank loan plans; and has also introduced a one-year term dividend option rider permitting that while dividends are accumulated, a sufficient amount may be withdrawn yearly to provide one-year term insurance equal to the current cash value. Insured must be either a standard risk or not more than 200% substandard.

The first plan, endowment at 95 with premiums to age 65, is for issue at ages 20 through 54. The second plan, 10 payment endowment at 95, is for issue at ages above 54. Three major characteristics of the new policies are: (1) Cash values equal the full net level premium reserve; (2) minimum policy must be \$15,000; (3) policy loans by current company practice will be available at issue.

## Va. Agents Plan School

Virginia Assn. of Insurance Agents will hold the annual stock insurance institute at University of Virginia, Aug. 18-20.

An introductory course will be given, followed by the agents' qualification examination. A life qualification course will be introduced. Both the fire, casualty, surety and marine, and the life courses can be completed as a unit and both examinations can be taken without conflict.

Inland marine will be featured in the intermediate schedule. The advanced group will take a survey course in competitive analysis and will consider current and probable developments in the business.

## Quincy (Ill.) Agents Elect Wlecke

New officers of Quincy (Ill.) Life Underwriters Assn. are: Robert H. Wlecke, Prudential, president; William M. McCleery, vice-president; Donald B. Thomas, secretary-treasurer; and Harry E. Hauter, Northwestern Mutual, national committeeman. Newly elected directors are: Harry R. Coles, Metropolitan; Joseph R. Galbraith, National Life & Accident; and Clifford G. Phillips, Occidental of California.

## Actuaries Join Ga. College Faculty

Dr. Floyd S. Harper and Dr. Eli A. Zubay are joining the insurance department faculty of Georgia State College of Business Administration.

Dr. Harper will head the new actuarial science program and Dr. Zubay will be associated with him. Both have been at Drake University, Des Moines, where they developed a similar program.

The new project will receive advisory and financial aid from Southeastern Actuaries Club which has set up a committee to work with the college, headed by Bruce Batho, vice-president and actuary of Life of Georgia.

## Group Life In Force With Sun Life Of Canada Tops \$3 Billion

Group life in force with Sun Life of Canada, on policies that cover more than 1 million persons, has passed the \$3 billion mark. Individual policies account for the rest of Sun Life's \$8 billion total insurance in force, about one-third of which covers individuals and groups in the U.S.

## Boston Still Ahead In Cities' Ordinary Gains

Boston's rate of increase in ordinary sales—20% for June and a rise of 26% for the first six months—led other large cities for the fourth straight month. Percentage gains for the seven other largest U.S. cities for ordinary sales in June and the first six months, respectively, were Chicago -7 and -3, Cleveland -3 and -2, Detroit -8 and -9, Los Angeles -7 and 1, New York City 15 and 12, Philadelphia -1 and -4, and St. Louis -5 and 1.

## Midland National Passes

### \$200 Million Mark

Midland National Life of South Dakota has passed the \$200 million mark. Calling the company's growth "phenomenal," Carl A. Leaf, vice-president, pointed out that it took 48 years for Midland to reach the first \$100 million in force, but only 4 years to achieve the second \$100 million. On this basis, Mr. Leaf added, the \$300 million mark should be reached in less than two years.

## Mid-West Management Conference Set For Oct. At French Lick, Ind.

With a conference theme of "Realistic Management Methods That Work Today," the annual Mid-West Management Conference of Indianapolis General Agents & Managers Assn. will be held Oct. 23-25 at French Lick.

Nine top-level speakers will concern themselves with such topics as "A Realistic Look at the Future;" "Realistic Recruiting for Performance and Profit;" "Realistic Production Standards;" "Realistic Ideas at Work in an Agency," and "Realism in Building a New Agency." Names of the speakers have not yet been released.

Divided into two conference sessions, with Friday selected for the main dinner and entertainment night, an idea-packed meeting is promised.

**Massachusetts Mutual** has made a 22-year first mortgage loan of \$4,850,000 on the Dupont Plaza, a 13-story combination general office, hotel, architectural display and garage at Miami.

## THE INDEMNITY HOSPITAL POLICY...

### sells and promotes sales...

Provident's New Indemnity Hospital series has been field tested with accuracy. A national survey of first call interviews showed results which exceeded all expectations.

- > 25% "bought"
- > 21% "hot prospects"
- > 16% "warm prospects"
- > 11% "bought other coverages"
- > 27% "not interested"

This Indemnity series is a "sales natural." It supplements—does not replace—existing coverage. It pays on an indemnity basis, in addition to any other coverage in effect. It enables the individual to bring his existing protection in line with present day costs.

Prospects for the Indemnity Hospital series are everywhere.

*Write for details of the new and highly successful Indemnity Hospital Series*

BROKERAGE BUSINESS INVITED

**PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY**

*Chattanooga—Since 1887*

LIFE ACCIDENT SICKNESS HOSPITAL SURGICAL MEDICAL



## Two SS Specialists To Highlight Agents Forum At NALU Meet

The Agents Forum, one of the highlights of the annual convention of National Assn. of Life Underwriters at Dallas, Sept. 7-12, will present Hugh F. McKenna, assistant director of the Federal Bureau of OASI, and Karl Schlotterbeck, director of the economic security program of the Chamber of Commerce of the U. S., both of whom will speak on social security.

Mr. McKenna will present the social security administration's new film, "Sam'l and Social Security" and then discuss the film. Mr. Schlotterbeck will comment on and show the chamber's film, "A Matter of Choice."

### Youngstown (O.) Agents Elect

Youngstown (O.) Assn. of Life Underwriters has installed as new officers John L. Griffith, president; Lamar K. Donahey, 1st vice-president; Richard Tucker, 2nd vice-president; Kenneth W. Shutt, treasurer; and Walter Stoiber, secretary.

## Life Insurance Assn. Of America Sponsors Pension Plan Study

Plans for two major studies in the economics of pensions, one of which will be supported by a grant from Life Insurance Assn. of America, have been approved by the National Bureau of Economic Research, Inc., and work on the studies has been started.

With the aid of the grant from LIA, Dr. Arthur F. Burns, president of the bureau, said the "study will examine

the ways in which public and private pension programs operate to affect the distribution of income among individuals and groups."

The other grant, this one from the Maurice and Laura Falk foundation of Pittsburgh, Dr. Burn said, "will enable us to investigate the present and prospective structure of both private and public pension systems in the United States and to explore the impact of the pension structure on saving and investment."

This study, he said, will be concerned with influences on both the level and type of savings and with the effects of pensions upon all parts of the capital markets.

## Life Of Virginia Stock Split Recommended

Life of Virginia's directors have recommended a stock split of 624,000 shares to 1,248,000 shares and a decrease in par value of each share from \$20 to \$10.

Charles A. Taylor, president, stated: "The recommended two for one stock split is not intended to alter the company's policy, announced earlier this year, of declaring small annual stock dividends when justified. Nor is it intended to intimate that the company's outlay for cash dividends will be increased beyond what is inherent in the stock dividend policy. The action reflects our board's belief that a large number of outstanding shares will broaden and stabilize markets for the company's stock."

Life of Virginia directors also declared the regular quarterly dividend of 60 cents per share payable on Sept. 3 to stockholders of record on Aug. 18.

## Cedar Rapids Assn. Honors Kuttler; Elects Officers

Cedar Rapids (Ia.) Assn. of Insurance Agents declared its final meeting for the summer "Charles Kuttler Day" in honor of the general agent of National Life of Vermont. Mr. Kuttler received an award for his services as moderator of CLU and LUTC courses.

Officers elected for the coming year are Miss Leola Zavodsky, Equitable of Iowa, president; Cleo Edwards, Central Life, vice-president; John Nabor, American Mutual, 2nd vice-president; Larry Lubben, Lutheran Mutual, secretary; Joseph McGuire, Occidental of California, treasurer.

## Austin Agents Hear Wood

Austin Assn. of Life Underwriters recently heard the regional director of the Texas association, Woodie Wood, Southland Life, Dallas, discuss work methods which developed contacts for him. A new man in the life field can not sell as he does unless he has established favorable contacts through other lines of endeavor, he said.

He stressed the value of disinterested community services as building contacts, although he recognized the danger that an agent may let himself become involved in too many activities. When making contacts, Mr. Wood said, he first sells himself and then calls back to talk about insurance.

Prudential's agency at Niagara Falls has moved to 44 Falls street.

## A Service Guide

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## Brokers Are Talking About

# Design for Tomorrow

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Yes, brokers are talking about Great-West Life's "Design for Tomorrow" . . . a series of important changes in premiums, policies and dividends!

### HERE ARE A FEW THINGS THEY ARE TALKING ABOUT:

**1 A TRUE QUANTITY DISCOUNT**—The premium per \$1,000 decreases as the amount increases.

**2 THREE SPECIAL POLICIES** for business and taxation fields.

- *Preferred Whole Life Par* (minimum \$10,000, ages 0-70).
- *Special Whole Life Non-Par* (minimum \$10,000, ages 15-70).
- *Maximum Security Par* (minimum \$10,000, ages 15-70; special dividend option on minimum of \$25,000). High, early cash values!

Rates on all three reduced even further by Quantity Discount factor.

**3 REDUCED RATES FOR WOMEN**—Preferential rates on two special par plans—same high cash value and dividends as paid to men!

**4 TERM RATES** further improved by Quantity Discount.

**5 STREAMLINED ESTATE BUILDER**—Great-West's popular Juvenile plan has been made even more attractive . . . in addition, a special option for girls makes the policy Two-Plans-in-One—minimum still \$1,000.

**6 INCREASED DIVIDENDS**—For the fourth time in five years your Great-West participating policyholders benefit in this vital area . . . and interest rate on dividend accumulations has been increased to 3.40%.

And in addition . . .

- Completely new series of Retirement Income plans.
- Low-cost Home Security Policy.
- Home Security Riders to combine with any permanent plan—10, 15, 20, 25 years.
- Autopay—A real sales clincher—monthly premiums are automatically deducted from regular bank account—the greater savings are passed along in a reduced premium.

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For full details write or call us today!

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**GREAT-WEST LIFE**  
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## Federal Life Agents Rack Up \$4 Million For Cavanaugh Month

Cavanaugh Month, designated by Federal Life of Chicago during the month of June in honor of Chairman L. D. Cavanaugh's 69th birthday, brought in more than \$4 million of insurance from the field force and a 33% increase in A&H.

Mr. Cavanaugh stated: "For several months we have heard and read about going through a recession and it appears that in some lines of business there has been a decrease in sales and in production. An analysis of our production records for the month of June emphasizes that there has not been any lessening of production on the part of many of our salesmen; in fact, we are convinced that the members of our agency force, who are conscientious in their sales efforts and apply practical and sound sales principles, are writing more business now than they wrote before we entered the so-called recession."

## Announce Staff Of Teacher Assn. Journal

The 1958-59 staff of the "Journal" of American Assn. of University Teachers of Insurance has been announced by William Beadles, dean of Illinois Wesleyan University and president of the association.

John Bickley, Ohio State University, will serve as editor, with E. B. Larson, Illinois Wesleyan, as business manager. Book review editor is William Howard, University of Florida; periodical review editor, E. S. Overman, American Institute. Mark R. Green, University of Oregon, will serve as administrative editor.

Assistant editors will include O. D. Dickerson, Florida State University; Philip Elkin, Temple; and John Long, Indiana University.

Members of the editorial board will be Richard Heins, University of Wisconsin; Grant Osborn, Arizona State; Joseph Troster, Southern Methodist; Michael Wermel, Cal Tech; and C. Arthur Williams Jr., University of Minnesota.

The "Journal" is published quarterly and is devoted to articles, studies, and reports of academic interest.

## Samuel Leveston Heads Conn. General Leaders

Samuel Leveston, agent at Hartford, was elected president of Connecticut General's President's Club for the third time at the annual meeting in Dixville Notch, N. H.

Mr. Leveston, a life member of the club, is Connecticut General's first agent to write more than \$3 million of new life business in a year, a record he held in 1956 and repeated in 1957.

James A. Linen, publisher of Time magazine, was the closing speaker at the meeting. In his talk, "The Challenge of Leadership," he said that American business leaders were devoting from 10% to 30% of their time to community activities.

Mr. Linen said, "This participating, through voluntary effort, in the betterment of communities is peculiar to the U.S. and Canada. It is one of the distinguishing features of our society and the source of much of our strength."

## San Antonio Agents Hear Priest

San Antonio Assn. of Life Underwriters had as guest speaker recently Rev. D. C. Penticuff, pastor of the Church of the Holy Cross. Before studying for the priesthood Father Penticuff had been manager of California-Western States at San Antonio. His theme was "quality" and efforts to assure it in the insurance business.

## 'Look Before You Leap' Would Seem Rule On Tex. HO Investments

A recent ruling of Attorney General Wilson at Austin, Tex., may have put some of the companies domiciled in that state in the unique position of having to dispose of all or part of their home office plant. This would be under article 3.40 of the code which says that adding improvements after Sept. 6, 1955, that would bring up the value of home office property to more than 33 1/3% of admitted assets violates the code. Wilson gave the opinion to Commissioner Harrison, who had requested interpretation of the article.

Adding improvements that raise the investment above the legal maximum would permit the commissioner to dispose of same. Since it is a little difficult to get rid of parts of a building, this could mean a sale of the total investment.

In discussing the situation in some purely hypothetical cases, Wilson pointed out to Commissioner Harrison that advance approval by the insurance board permits home office investment of as much as 50% of admitted assets.

## Uphold Non-Taxability Of Life Proceeds In Minn.

ST. PAUL—Minnesota supreme court has ruled that the proceeds of life insurance policies are not subject to inheritance taxation in some cases. The court threw out a \$1,145 inheritance tax on certain policies covering the life of the late Engfred J. Lindblom. The decision reversed the state tax appeals board and ruled in favor of Blue Diamond Poultry Farms Inc., which had paid the premiums and was beneficiary.

Chief Justice Dell, who wrote the decision, pointed out that the 1949 legislature made a significant departure from the method of taxing life insurance proceeds as provided for under a 1937 law. Under the 1949 law, he wrote, it is clear the proceeds of the policies were not subject to taxation.

## North American Introduces Family Term Benefit Rider

North American Life of Toronto has introduced a family term benefit rider issued with any basic plan of permanent insurance on a husband's life.

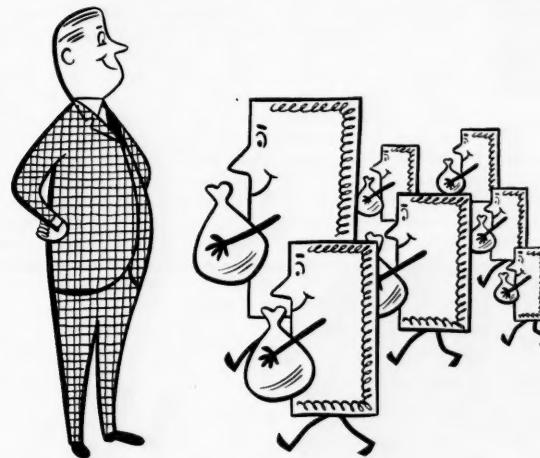
Up to three units may be purchased if insurance on the husband is at least \$5,000 for each unit of family term benefit added. One unit of coverage under the rider provides \$1,500 of term to age 55, 60, or 65 on insured's wife and \$1,000 term on each child from age 15 days to 25 (\$250 prior to age 1). The wife may elect conversion privileges within 30 days after the benefit period ends. A child can convert within 30 days after his 25th birthday or the prior end of the benefit period to an amount up to \$5,000 for each unit.

## Massachusetts Mutual Has Record Six Months Sales

Massachusetts Mutual life sales during the first six months were the largest for any half year period and exceeded production for any entire year prior to 1954. Individual ordinary business showed the greatest gain, with an increase of 26.7%. Combined volume totaled \$548,082,078 and included \$468,063,415 of ordinary and \$80,018,663 of group life.

The average premium paid by policyholders for each \$1,000 of life insurance in 1957 was about one-fifth less than the average outlay per \$1,000 of life insurance in force 10 years ago.

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## California-Western States Life Insurance Company

Home Office: Sacramento

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**INSURANCE COMPANY**

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## \$800 Million Life Benefits To Be Set Aside For Income

Close to \$800 million of life policy benefits will be set aside this year by policyholders and beneficiaries to establish income plans, Institute of Life Insurance reports. The amount set aside for income payments is currently about 2½ times the total 10 years ago.

The institute estimates that about 20% of the total benefit payments generally available for income purposes—ordinary and group death benefits, matured endowments and cash surrender values—were used to create income plans last year. Options under these plans included income paid for life or for a specified period of time and benefits left with life companies to earn interest.

Total reserve funds held by life companies to meet income payments amounted to over \$7.1 billion at the start of the year. This total is about 60% greater than at the beginning of 1948. In the past 10 years alone, over \$6 billion has been paid from these funds as income to policyholders and beneficiaries.

Payments of life insurance policy proceeds in single cash settlements will continue to account for the major part of benefit payments according to the institute. The specific uses of many life insurance plans such as mortgage, partnership and estate programs and family need for immediate funds are reasons given by the institute for the large volume of lump sum payments.

## Columbus Mutual Has New Executive Estate Builder

Columbus Mutual Life now has an executive estate builder policy which is issued in minimum amounts of \$15,000. The policy is a special endowment at age 90 with high early cash values and pays full cash value in addition to the face amount in event of death during the first 20 years, or before age 65, if earlier. It also guarantees an option on new insurance without evidence of insurability at the end of 20 years or at age 65, if earlier, for an amount up to the cash value at that time.

The first year loan value may be used either at time of application or delivery to complete the payment on the first year's premium.

## Knights Of Columbus Holds Sales Meeting In Chicago

Knights of Columbus general and field agents held a sales seminar recently at Edgewater Beach hotel, Chicago. Luke E. Hart, supreme knight, presented awards and outlined plans for the society's expansion. Sales forums and demonstrations, including audio-visual techniques, conducted by top level general agents and million dollar producers, rounded out the program.

In the first six months of 1958 the society's paid-for business totalled \$77 million, a 3.3% increase over last year. Insurance in force as of June 30 was \$781,676,000, with a net increase of \$9.1 million for the year.

### Prudential Paid \$667,503,000 In Benefits During First Six Months

Prudential's payments to policyholders and beneficiaries during the first half of 1958 amounted to \$667,503,000. The payments—which included claims, dividends, annuities and other benefits—exceeded those of any previous six months and were \$56,862,000 higher than payments made during the first six months of 1957.

## Munnerlyn, V-P Of American General, Retiring From Post

Ford Munnerlyn, vice-president and agency director of American General Life and an active and well-known participant in the affairs of the life insurance fraternity, is retiring from his post for reasons of health. His status will be that of company officer on leave until next March, and he will remain on the board of American General.

Mr. Munnerlyn entered the life business as an agent in 1935 with the company. He was appointed to his present position in 1947.

A former director of LIAMA, he is vice-chairman of the research and advisory committee and a member of the membership committee of that organization. Mr. Munnerlyn was an organizer of Texas Life Convention and was first chairman of its agency section. He is also vice-president of the board of trustees of Southern Methodist institute.

## American Life Of N. Y. Introduces Family Plan

American Life of New York has introduced its family plan policy in New York, Indiana and Virginia. Features of the policy include term insurance on the wife, the amount depending upon her age in relation to her husband's age and convertible without evidence of her insurability; a level premium for the entire policy regardless of the number of children; term insurance on the children with liberal conversion privileges and family income and supplementary term, which may be added to the father's coverage.

There were 800,000 family plan policies purchased in 1957, covering 3.2 million persons for a total of \$8.5 billion of protection.



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**Prestige:** American Travelers', backed by a depth of experience in life underwriting—is a company you'll take pride in representing!

American Travelers'—a company you can go with—a company you can grow with!

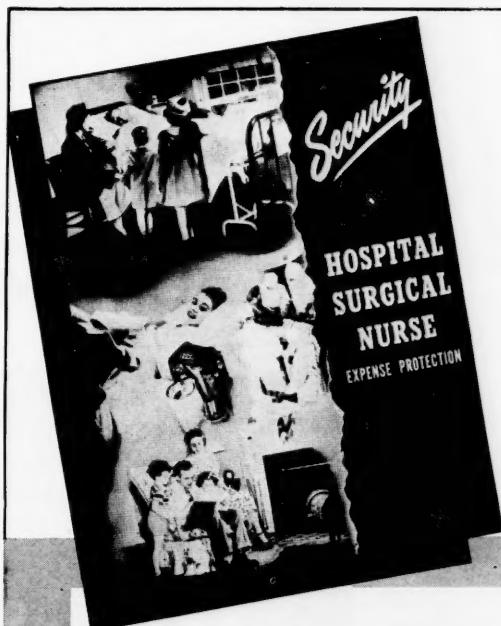
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COMPANY**

DETROIT 26, MICHIGAN

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## Changes In The Field

### Equitable Life of Iowa

**E. H. Soper** has been appointed general agent in Sioux City. He joined Equitable Life of Iowa in 1950 as an agent. In 1956 he was advanced to agency supervisor in which capacity he assisted in recruiting and training.



E. H. Soper

tual at the home office in 1933. He has been in the real estate department at St. Cloud, Minn., and Rochester, N. Y. He became regional supervisor of the mortgage loan and real estate agency at Washington, D. C. in 1955. Mr. Ware began his career with Massachusetts Mutual in 1954 as assistant regional supervisor of the northeastern mortgage loan agency.

**Llewellyn M. Oakley** has been appointed as manager at Pontiac, Mich. He has been with Massachusetts Mutual at Detroit for the past three years.

The following field appointments have been made: **Gregory E. Curry** as supervisor and **Boyce M. Box** as district manager at Amarillo; **Ralph G. Smolenski** as district manager at St. Clair Shores, Mich., and **Harold H. Inman** as manager at Houlton, Me. Mr. Curry began his career in the life field in 1955. Mr. Box has been with Massachusetts Mutual at Lubbock, Tex. Mr. Smolenski entered the life field three years ago. Mr. Inman has been in life sales since 1952.

### Massachusetts Mutual

Massachusetts Mutual has appointed **Julius C. Thormeyer** as assistant superintendent of mortgage loans at Washington, D. C., and **Ridgeley P. Ware** becomes regional supervisor of mortgage loans and real estate. Mr. Thormeyer joined Massachusetts Mu-

### National Life Of Vermont

National Life of Vermont has appointed **Weldon T. Hames** as supervisor at Memphis. He has been general agent at Memphis since 1951. He is a past president of Memphis General Agents & Managers Assn.

Weldon T. Hames

National Life of Vermont has appointed **Paul E. Neumann** as general agent at Grand Rapids. He has been district manager at Grand Rapids since 1953. He is past-president of Grand Rapids Life Underwriters Assn.

### Franklin Life

**Don L. Tenant** has been appointed agency manager in Sacramento for Franklin Life. He entered life insurance in 1955 with Equitable Society and was promoted to assistant district manager for that company in Sacramento.

A general agency appointment in Columbus, O. is that of **William F. Fenimore**. Mr. Fenimore entered insurance in 1951 with Prudential in Columbus, and was subsequently promoted to staff manager.

In Minneapolis, **Daniel P. Forby** has been appointed general agent of the Robbinsdale area. He was formerly with Metropolitan.

### Travelers

Travelers has appointed **Ernest C. Johnston** and **Franklin W. Bush** as



Ernest C. Johnston



Franklin W. Bush

district group supervisors at Pittsburgh and Milwaukee, respectively, and **William O. Hawkins** becomes group supervisor at Erie.

**Forty other field appointments** have been made. John G. Robbins and Clayton C. Robinson have been appointed assistant managers at Detroit and Columbus, respectively.

Agency service representatives who have been appointed field supervisors are Wesley N. Freemyer, Little Rock; William U. Copeland, Hartford; Robert B. Green, Wilmington; Gordon E. Causey, New Orleans; Richard D. Jenkins, Portland, Me.; Roger R. Warner, Springfield, Mass.; Donald R. Lurndahl, Duluth; Robert H. Busteed, Omaha; James W. Bailey, New York; J. Allen Morris Jr., Charlotte; Terrence M. Reeves Jr., Pittsburgh, and Weldon L. Taylor, Lubbock, Tex. Douglas A. Creighton becomes field supervisor at Calgary.

Assistant managers transferred are Dennis L. Bales Jr., from Dallas to Riverside, Cal.; James M. Morgan from Little Rock to San Francisco; Duaine W. Killam, from Duluth to Minneapolis, and C. Leslie Ridings Jr. from Wilmington to Philadelphia.

Field supervisors transferred are Donald G. Schlesinger, from Oklahoma

City to Clammy co.; W. Tampa, Charlot Agen transfer Charlott ald C. N. Nys; D. Malford to Forhetz, Agen pointed David C. Holt Jr., Dayton; Don R. Also ap D. C. Cincinnawa. Banker

Banker Robert of N. Y. rectors

Pruden Robert ed regi California, Colorado, Mexico, files in ern hom Los An has b e the com 1947, and recently manager Angeles, for e chairman Angeles Life Un

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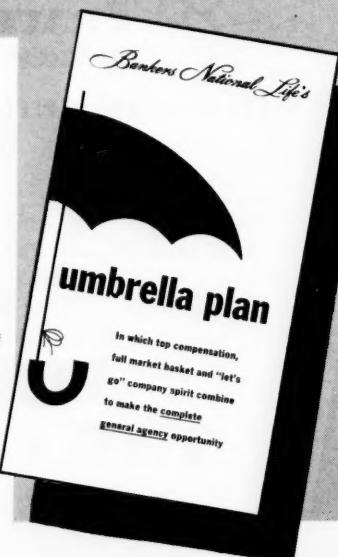
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... were registered last year in the eleven Southern states served by

Life of Georgia. This is an increase of 54.3% over 1950 registrations.

This rate of increase is 41.4% greater than the rate of increase for the nation.



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SERVING THIS FAST-GROWING  
REGION SINCE 1891

st 9. 1958

Ernest C. Bush

City to Beverly Hills; Frank E. McClammy, from Houston to San Francisco; W. Robert Seitz, from Miami to Tampa, and Bryan T. Horton, from Charlotte to Norfolk, Va.

Agency service representatives transferred are Gordon C. Hurst, from Charlotte to Birmingham, Ala.; Donald C. Imlay, from San Diego to Van Nuys; David M. Hull, from Milwaukee to Omaha; John W. Gould, from Hartford to Hempstead, N. Y., and John E. Forhetz, from St. Louis to Philadelphia.

Agency service representatives appointed are Dudley L. Spence, Tampa; David G. Dilks, Minneapolis; Charles Holt Jr., New York; Jack A. Broadway, Dayton; Richard M. Rose, Erie, and Don R. Reynolds, Lubbock, Tex. Also appointed were Norman J. Root, Denver; James M. Macleod, Washington, D. C.; Leonard T. Brannin Jr., Kansas City, Mo.; Gordon B. McCausland Jr., New York; Robert J. Shook, Cincinnati, and John A. Harris, Ottawa.

#### Bankers National Life

Bankers National Life has appointed Robert T. Hunt as regional director of agencies at Columbus, O. He has been assistant director of agency supervision at the home office since 1956, and before that was with Metropolitan Life and Mutual Benefit Life. He is a past president of northern N. J. Life Supervisors Assn. and past secretary of N. Y. Life Insurance Training Directors Assn.

#### Prudential

Robert E. Cooling has been appointed regional supervisor for southern California, Hawaii, Arizona, Colorado, Wyoming and New Mexico, with offices in the western home office at Los Angeles. He has been with the company since 1947, and was most recently associate manager at Los Angeles. He is a former LUTC chairman of Los Angeles Assn. of Life Underwriters.

#### Massachusetts Indemnity

Massachusetts Indemnity has appointed Robert C. Morgan and Frederick A. Risley as general agents at Way, Wash.; John H. Allen Jr., Mon-

San Francisco and Hartford, respectively, and Carl H. Wahlquist becomes eastern agency field representative. Messrs. Morgan and Risley have been agency field representatives and Mr. Wahlquist has been an agent.

#### John Hancock

John Hancock has appointed the following general agents: David C. Roberts at Portland, Me.; E. Wayne Wood at Houston and Woodrow T. Thornhill



E. Wayne Wood



David C. Roberts

roe, La.; Edward J. Hitchcock, Honolulu; and J. Robert Cline of Carolina Insurance agency; and Hugh H. Dowling of Crossroads Insurance Counselors, Brentwood, Mo.

#### Occidental Of California

The Baltimore group office has been expanded into a full regional office, and Regional Manager Dayle W. Vaughan has been transferred from Richmond to take charge.

Richard A. Hermann and Ralph R. Royer have been advanced to assistant regional group manager at Jackson, Miss., and Cincinnati, respectively. Mr. Hermann has been with Occidental since 1957 and Mr. Royer since 1956.

Robert H. Brown has been promoted to group sales representative in charge of the Richmond sub-office.

#### Union Central Life

Jules Meyers has been appointed assistant manager of the Charles B. Knight agency, New York City representative of Union Central. He has been with the agency since December.

Stanley Wasserstein has been appointed assistant manager of Charles B. Knight agency, the company's Long Island representative. Mr. Wasserstein has been with the agency since 1957.



Frank E. Thompson

#### General American Life

Frank E. Thompson has been appointed manager of the company's new Pittsburgh regional group office, comprising seven states and the District of Columbia. He has been with the company since 1928, and most recently was director of group training and field service at the home office.

With Mr. Thompson in the new office are Sam D. Bunnell, district group manager, and Lawrence T. Marcagl Jr., and James R. Hall, group representatives, the latter transferring from Memphis.

#### Pacific Mutual

Louis J. McAvoy will become manager of the Kansas City group office, replacing Edward Werner, who has gone into field supervisory work with another company. Mr. McAvoy has been with Pacific Mutual in Cleveland as home office representative since 1956.

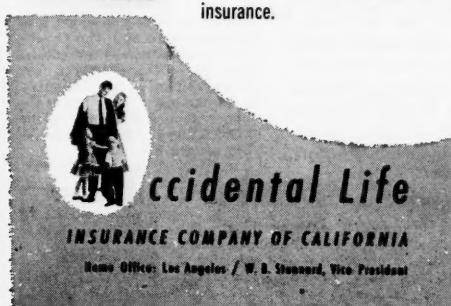
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Insurance In Force  
\$210,000,000  
IN ASSETS

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Insurance

**Life**  
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Serving  
Since  
1908

HOME OFFICE  
DALLAS, TEXAS

## Home Office Changes

### Bankers Life Of Iowa

Floyd W. Milligan, senior security analyst for the company since 1953, has been named assistant secretary. Mr. Milligan joined Bankers Life in the investment department in 1947, and after being recalled to the marines in 1951, he returned to the company in 1952.



Floyd W. Milligan

### Equitable Life Of Iowa

E. E. Cooper, assistant agency vice-president, and A. Scott Anderson, agency secretary, have retired. Mr. Cooper joined the company in 1926, was named assistant supervisor of agencies in 1939, and in 1943 was promoted to assistant agency vice-president.

Mr. Anderson has been with the company since 1929. After six years of publishing the company's field magazine, Equiowa, he was made manager of the service section. He was appointed agency secretary in 1944.

### Southland Life

Promoted in the home office of Southland Life are William D. Hogue and Cleveland D. Whatley to assistant secretary and Gene W. Buchter, Karl L. Manchester, and Donald W. Sneed to assistant actuary.

Mr. Hogue joined Southland Life's home office tabulating department in 1949 and in 1955 was named manager of the newly created electronics unit, which post he will continue to fill. Mr. Whatley has been manager of the personnel department and will remain in that capacity. Mr. Buchter, prior to his promotion, had been actuarial assistant. An actuarial assistant at the time of his promotion, Mr. Manchester had been on the actuarial staff of

Equitable Life of Iowa prior to joining Southland in 1957. Mr. Sneed, with the company since 1947, was also an actuarial assistant prior to his appointment.

### John Hancock

John Hancock has appointed John S. Danner and John K. Powell assist-



John S. Danner



John K. Powell

claims manager in 1955, and was named an administrator in the agency department.

Donald W. Siegrist, who has been with the company since 1957, has been named assistant secretary for home office services. He has been with World Insurance.

James D. Hanson has been appointed assistant treasurer. He has been with Midland since 1955 as accounting department manager.

Duane G. Strong has joined the company as chief underwriter and head of new business. He has had seven years' experience with Occidental.

Milo B. Stokke, formerly policy issue supervisor, has been promoted to supervisor of underwriting, clerical and policy issue division of the new business department.

Mrs. Arlene Grimes has been promoted to assistant underwriter. She has been in the clerical division since 1953.

### Pan-American Life

Pan-American Life has appointed L. C. Miller as director of training and Dean E. Williams, former assistant actuary of the group department, group actuary. Mr. Miller has been general agent at Louisville and before that was with Mutual of New York and Ohio State Life. Mr. Williams has been with Northwestern Mutual and the Iowa insurance department. Before joining Pan-American Life he was assistant manager of the group actuarial division of New York Life.



L. C. Miller

### Shenandoah Life

Shenandoah Life has appointed Heman A. Marshall as superintendent of the group department and F. Day Light as director of policyholders and office services. Mr. Marshall has been administrative officer since 1948. Mr. Light has been manager of the policyholders service division since 1954.

### Life Of North America



Marvin R. Nelson

Life of North America has appointed Marvin R. Nelson assistant actuary in the ordinary department. He has been actuary for Security Mutual Life of Nebraska since 1951.

### Northwestern Mutual Life

Wallace C. Berg has been assistant director of agencies, effective Aug. 1. He has been a special agent in Milwaukee, with the company's J. Lowell Craig general agency since 1953, has earned several company production honors and is a member of NML's Hall of Million and One Club. Before joining Northwestern Mutual in 1953 he



had six years experience in sales management work in Milwaukee.

### Colonial Life

Colonial Life has appointed Frank DeYoung Jr., as superintendent of agencies of the combination agencies department. He has been director of the conservation department and manager at Easton, Pa.



Frank DeYoung Jr.

### Berkshire Life



Ralph H. Patton

Berkshire Life has appointed Ralph H. Patton as superintendent of agencies. He has been assistant superintendent of agencies and director of pension trusts since 1956. Before joining Berkshire Life he was with Penn Mutual at New York.

### Midland National

Kenneth H. Glaze has been named administrative vice-president. He has been with the company since 1951, recently as secretary of agencies and administrative assistant.

George R. Maxwell has been appointed assistant vice-president. With the company since 1956 as superintendent of agencies, he was previously with Postal L&C. as field supervisor. V. A. Damme becomes assistant secretary. He joined the company in 1954, entered the home office as

### State Farm Life

James W. Spellman has been named actuary of State Farm Life. He joined the company in 1949 as an actuarial clerk and served as assistant actuary and associate actuary. He is a fellow of Society of Actuaries.

STATE MUTUAL OF GA. has elected the following officers: George E. Smith Jr., president; Price R. Cross, vice-president and secretary, and H. Lawrence Lansell, assistant secretary.

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## 1958 Argus Chart For A&S Is Published

The 1958 edition of the Argus Chart of Accident, Sickness, and Hospitalization Insurance has just been published by the National Underwriter Company. This new annual edition gives facts and figures for 932 insurers—27 more than last year. The financial statement information given includes operating reports, underwriting results, analyses of individual and group business—compiled from official reports to state insurance departments and special reports by the insurers.

Detailed analyses are given for five years for nearly 300 of the larger insurers. Included are the pertinent annual statement figures of the companies as a whole relating to financial stability and management results. The A & S results include the premium volume expressed in both written and earned premiums, with claims and expense figures and experience ratios. Individual business is broken down into accident, A & S, non-cancellable, and hospital-medical. Group premiums and underwriting results with ratios complete the financial exhibit. Miscellaneous data include the list of states and countries in which the companies operate, kinds of contracts issued, brokerage practices, number of branches, general agents, and agents, type of company, when formed, when it started writing A&S, and whether it is a member of Health Insurance Assn.

Summary figures are also given for 446 additional insurers. Included are assets, capital, surplus, premiums

written and earned, claims incurred and expenses incurred for the past two years. In a special section, information is given concerning 85 Blue Cross plans, 74 Blue Shield plans, and 31 other hospital and medical-surgical insurers.

The chart's opening pages contain explanatory notes and definitions of the financial statement items shown in the statistical sections. Each item is defined and each definition carries a specific reference to the page and line number of the official annual statement blank.

The Argus Chart for Accident, Sickness and Hospitalization, like its companions, the Argus Fire Chart and Argus Casualty-Surety Chart published a few weeks ago, sells singly for \$2.50 per copy and less in quantities. It is now being delivered from the reference book department of the National Underwriter Co., 420 East Fourth street, Cincinnati, and may also be obtained from any of its branch offices.

### Connecticut Mutual Life Has Record Six Months

Connecticut Mutual Life reported record life sales of \$253,751,000 during the first six months, a 11.8% increase over the same period last year.

Total insurance in force rose to \$3,841,000,000 with a gain of \$161,339,000 for the six months.

During the half year \$42,458,000 was paid to policyholders and beneficiaries, including a record dividend distribution of \$8,936,000 and \$11,456,000 as death claims.

Provident Mutual Life has been licensed in Louisiana and is now entered in 42 states.

## NAIC Committee Lineup Announced

Committee appointments of National Assn. of Insurance Commissioners have been announced by the NAIC president, Arch E. Northington of Tennessee. The lineup of chairmen and vice-chairmen of particular interest to life people follows:

Blanks: F. Britton McConnell, California, chairman; Charles R. Howell, New Jersey, vice-chairman.

Preservation of state regulation: Joseph A. Navarre, Michigan, chairman; F. Britton McConnell, California, vice-chairman.

Accident and Health: Donald Knowlton, New Hampshire, chairman; Rufus E. Hayes, Louisiana, vice-chairman.

Examinations: Joseph A. Humphreys, Massachusetts, chairman; William A. Sullivan, Washington, vice-chairman.

Federal liaison: F. Britton McConnell, California, chairman; Paul J. Rogen, Wisconsin, vice-chairman.

Fraternal insurance: William A. Sullivan, Washington, chairman; Alexander H. Miller, Vermont, vice-chairman.

Insurance covering all installment sales and loans: J. Edwin Larson, Florida, chairman; Julius S. Wikler, New York, vice-chairman.

Laws and legislation: Joseph S. Gerber, Illinois, chairman; Julius S. Wikler, New York, vice-chairman.

Life insurance: Cyril C. Sheehan, Minnesota, chairman; C. Lawrence Leggett, Missouri, vice-chairman.

Non-hospital and medical service associations: Francis R. Smith, Pennsylvania, chairman; Alden C. Palmer, Indiana, vice-chairman.

Unauthorized insurance: A. J. Jensen, North Dakota, chairman; Rufus D. Hayes, Louisiana, vice-chairman.

Valuation of securities: Joseph A. Humphreys, Massachusetts, chairman; John H. Binning, Nebraska, vice-chairman.

### Ft. Worth A&H Men Elect

Noble L. M. Rust, Continental Casualty, has been elected president of Fort Worth Assn. of A&H Underwriters. Other new officers are John Wood, American Life, vice-president; Fred Harris, Travelers, secretary; and Paul J. Heitfeld, Retail Credit Co., treasurer.

## Confident Living

BY SKOG



H. P. SKOGLUND, President

### Who's Average?

I see where the statisticians are measuring what the average man is like again. According to the figures, he's five-feet 10-inches tall, weighs around 160 pounds, has 600 hairs in his eyebrows, and the distance from his knee to the ground is about twenty inches.

Whenever I see a new set of these "average" figures, I'm reminded of the portly five-footer who stepped on the scale to weigh himself. As the needle tipped the 200-pound mark he referred to the Average Weight chart printed on the front of the scale. Unashamed, he remarked to his wife, "According to this chart, Dear, I should be six-feet 4-inches tall." Which goes to show it's all in how you look at the figures.

It seems none of us are perfect averages. We all vary somewhat physically. The same is true financially. Two men may each make \$6,000 per year, but their financial responsibilities may be as different as night and day. That's why at North American Life and Casualty Company we believe there is no "average" insurance program that fits everyone.

The amount and type of insurance a man needs depends on his own individual situation. Here is where a soundly trained insurance counselor, like your North American representative, is important. He plans an insurance program tailored to fit your particular situation. If that's the kind of practical planning help you want, why not give him a call.



Call the North American representative in your area. In Rapid City, T. A. Krikac, manager of the North American agency, or one of his men, will help you develop the program that fits your needs. Call him at Fillmore 2-5757.

HELP in paving the way for successful interviews is provided North American field men by newspaper ads like this appearing nationally in Nalac markets.

It's one way Nalac's CONFIDENT LIVING\* approach is working to assure CONFIDENT SELLING for its men. Complete portfolio of Life and S&A. Ask for Brochure BO-321.

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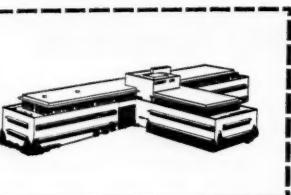
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one of the lowest guaranteed cost contracts ever offered

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## Colonial Life

INSURANCE COMPANY OF AMERICA  
Home Office: East Orange, New Jersey

## NALC Gives Life Company Taxation Views

(CONTINUED FROM PAGE 2)

and the bill to be passed as permanent legislation before March 15, 1959.

At another panel session with Vaughn Moore, Security National, as moderator, NALC members were told "How to Get Agents and Sell Life Insurance." Panelists were H. O. Martin, Intercoast Mutual; John Meyer, Treasure State, and Herbert L. Thomas Jr., First Pyramid.

### Two Other Panels Held

There were two other panel sessions during the meeting, one on how state regulatory agencies can help growing life companies and the other on investments for life companies. Moderator for the former was Sam N. Beery, commissioner of Colorado, with the panel consisting of Commissioners Apodaca of New Mexico, Hammel of Nevada, Hayes of Louisiana, Horn of Alabama, and Sullivan of Kansas.

For the latter, John Havrilla, First United Life, was moderator, with Ervin Atkerson, Republic National; W. J. Karcher, Security Life & Accident; and Braxton Ross of Morrison & Morrison as panelists.

At the business session John Wilkins of Citizens National Life was named president to succeed S. H. Goebel of Cardinal Life. Other officers elected were ex-Gov. Ellis Arnall of Georgia, who is with Coastal States Life, as chairman; Herbert Thomas Jr., First Pyramid Life, secretary; B. L. Carter, Pioneer Life & Casualty, treasurer. Vice-presidents W. L. Bryan, Georgia Life & Health; J. R. Cissna, Federal Old Line; Phillip B. Duncan, Alaska Western Life; Louis M. Gregory, Lee National Life; Homer O. Martin Jr., Intercoast Mutual Life; James E. McDowell, Great Western Life; William H. McLean, American Standard Life; Vaughn Moore, Security National Life; Forrest G. Ray, Guaranty Income Life; J. C. Scott, Bankers Service Life, and W. P. Strube, Mid American Life.

### Two 'Enheartening' Facts

Speaking at the banquet, Mr. Arnall said there are two facts about life insurance that can "enhearten us at this time when many businesses are in the doldrums." The first was the actual growth of the industry itself, he said. Thirty years ago total life in force in the U. S. was \$90,510,000,000 and the total assets of all companies only a little in excess of \$15 billion. At the close of 1957 there was \$504 billion in force and business written during the year was nearly \$97 million, \$6½ billion more than the total in force 30 years earlier. The second heartening thing, he said, is that in the time of a moderate business recession, life insurance sales have not declined but have increased somewhat, both in premium income and in new insurance written.

Counterbalancing these two hopeful items, however, were two points which it would be well to bear in mind, he declared. The increase in 1955 over 1957 in insurance in force was about \$13 billion dollars, or \$2 billion more than the increase in 1956 over 1955, but premium income went up a half billion in that year as against almost \$1 billion the year before. Also, life insurance is getting a smaller share of the total savings of the people today than in any year since the end of World War II.

"If it were not for the selling by younger, progressive companies,

which have concentrated on higher premium investment type, so called 'package policies,' this showing would be very much worse. The figures prove that there is too much cheap low-grade life insurance being sold in America today," Mr. Arnall declared.

He warned that if the life insurance industry is to survive as a free enterprise and not become a function of the federal government, there must be a great degree of responsibility on the part of life insurance companies and greater understanding by the state regulatory agencies of many of the underlying problems.

In discussing the position NALC has taken about insurance policies Mr. Arnall said that the association feels every company should be free to write any contract of insurance that is actuarially sound and sell it as long as they sell it without fraud and deceit, and that unquestionably there is need for many more kinds of contracts than are being offered today.

### Contract Differences Noted

Not every type of insurance contract is suitable for every American nor is every type of insurance contract regionally acceptable, he noted, but the premise upon which state regulation of the life insurance industry rests—the points that were best made and most effectively argued in the debate upon the McCarran act—were those that centered around the degree of familiarity of state regulatory agencies and the needs and desires of people at home.

"As far as keeping a life insurance company solvent is concerned," he said, "the excellent record of state regulation speaks for itself. But, and this is a big but that must determine whether state regulation continues or not, there has been a lamentable tendency to take the phony tonic of one-state regulation on one hand and to gulp down the panacea of uniform laws on the other. State regulation must be geared to the needs of the geographical, social, economic and cultural units that it embraces. . . . Those departments must measure up, however, in their understanding of the problems of growing companies and serve as counselors and guides for their growth and not as turnkeys for some sort of a prison for juvenile delinquents."

### Describes Several Innovations

President Goebel, in his report, described several innovations in the business, which he said had their birth in the small, growing companies and concluded that:

"We must work to preserve free competition against the threat of being overwhelmed by federal regulation. Both the industry and the state regulatory groups must be made aware that the statesmanship, sound judgment and responsibility we show in the next few years will determine the very existence of the industry as we now know it."

"We must work to preserve free competition against the lunatic fringe of companies, some large and some small, who seek special position and special favors and who seek to throttle free and fair competition by questionable means. And finally, we must work to preserve free competition against increased federal and state taxation that can make life insurance too expensive, as a private operation to continue to exist."

## Finish Hearings On Arkansas Insurance Code

(CONTINUED FROM PAGE 2)

ings were proposals that rates of credit life and disability insurance be regulated and that some means of controlling commissions on these classes of business be adopted. It was pointed out that out of some \$217,800 in earned premiums on individual credit life written by Arkansas domestic companies in 1955 and 1956, 62.76% went for commissions.

## Make A&amp;S Suggestions

In the A&S field, the commission received a recommendation from Arkansas Legislative Council, interim research body of the legislature, urging that laws relative to the qualification and licensing of A&S agents be revised to require applicants to pass a written examination. The council also recommended that an A&S commission be established consisting of from three to seven members appointed from the insurance industry, Arkansas Medical Society, and Arkansas Hospital Assn., and with authority to investigate alleged violations of laws or

regulations, to make recommendations to the commissioner relative to examination requirements and to prescribe minimum benefit provisions to be required in A&S policies.

A definition of "fictitious groups" provoked considerable discussion with the feeling expressed by many that this definition should be left to administrative order by the commissioner rather than trying to put something into the code.

## Two Pa. Associations Have Presidents Whose Dads Held Same Office

Pennsylvania has two presidents of local life underwriters associations whose fathers were presidents of the same associations.

Edward Mellor, Mutual Benefit Life, is president of Philadelphia Assn. of Life Underwriters, and his father, the late Sigourney Mellor, Provident Mutual Life, held the same post some years ago. In the Pittsburgh local as-

sociation, the Methenys, both of Fidelity Mutual Life, make up a similar father and son duo—Richard T. is president of Pittsburgh Assn. of Life Underwriters and C. Brainerd is a former head of the local and Pennsylvania associations.

Approximately \$35 billion in mortgage loans were extended by American life companies to 4 million home buyers since the end of World War II.

North American Life of Chicago has been licensed in Tennessee. It is now licensed in 23 states.

## Capitol Life Declares 100% Stock Dividend

A 100% stock dividend has been declared by Capitol Life in a move which increases the company's capital from \$250,000 to \$500,000.

Capitol Life was originally capitalized at \$250,000 when it was founded in 1905, and since 1923 has undergone no changes in capital. The current change is part of an over-all program through which the company is seeking licensing in states additional to the 16 western states and Hawaii in which it presently does business.

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## Editorial Comment

### Major Medical Not A Doctor's Gold Mine

The trouble that major medical insurers are having in keeping doctors' fees in line, notably in southern California, is an oddity that has no exact precedent or analogy.

The problem arises out of the doctors' long-standing practice of grading their charges to fit the patient income level. This seems like a reasonable, and even a humanitarian way of handling things. But what happens when the patient whose means have been limited becomes, in effect, rich as Croesus at least as far as his medical expenses are concerned, by having an insurer ready to back him for expenses that he would go broke trying to pay on his own?

The problem is quite similar to what has happened with automobile bodily injury and property damage insurance. The high and increasing level of automobile liability verdicts is obviously due in no small part to the fact that the money is there to pay—thanks to the insurers. And as high verdicts have scared people into buying higher limits, the juries have become more liberal still with what they still consider to be other people's money. Of course, it is not other people's money—as the increasing premium rates for automobile liability clearly show.

It would seem, at first glance, that the doctors have a plausible point when they regard a major medically insured patient as far more able to pay than he was before he bought the insurance. Doctors may well wonder why they should temper the wind to the shorn lamb who, as far as ability to pay for medical expenses is concerned, is still heavily endowed with fleece.

On the other hand, a good case could be made for the concept that the patient with major medical insurance is certainly no richer than he was before, and in fact is poorer by reason of the substantial premium he pays for major medical. So why doesn't the doctor give him a break, or at least charge him no more than before he bought the major medical? After all, a lot of the major medical is for the doctor's benefit. Many patients who have this coverage might just have to leave the doctor holding the bag if they were not so heavily insured.

What we actually have of course, is a totally new kind of situation. It is a situation in which a relatively poor man may have, through insurance, an ability to pay his medical expenses that would jolt the general run of well-to-do patients. Clearly, new standards are needed. It will not do for the doctors to take the view that because it costs the patient no more to pay a huge medical bill than not to pay it, he is therefore to be charged just as if he were one of the rich people. If this sort of thing goes on very long it is obvious that the premium for major medical will be pushed so high that it will prove unsalable.

Traditionally, doctors have jealously guarded their right to charge what they please. Nevertheless, in the inter-

est of the benefits the entire medical profession will enjoy through the increased spread of major medical, it is incumbent on the relatively few physicians who see major medical as merely a personal gold mine to lay off.

Medical societies in some areas have done much to help this situation. Even in southern California, where the situation has been particularly troublesome, there are signs of progress, as was pointed out by J. Edward Day, vice-president in charge of Prudential's Los Angeles regional home office. The most hopeful development seems to be a relative scale of values not based on dollar amounts but setting up reasonable ratios between various types of treatments and operations.

After all, it may be difficult to convince a doctor that he should not charge 50% more for a given operation than the usual charge for that operation. But when he has to justify the "relativity" of such a charge to other charges he makes for other operations, his position becomes pretty weak.

We believe that the great majority of physicians and surgeons are more than willing to help make major medical and other forms of insurance work to the best advantage of patient and doctor. Unfortunately, a few shortsighted greedy doctors can do a lot to hamper the progress of insured plans. It is fully as much to the advantage of their conscientious colleagues to keep these fellows in line as it is to the benefit of the patients and insurers.—R. B. M.

## Personals

**James H. Durkin**, home office education and training director of Continental Assurance, accomplished an unprecedented feat, according to Life Office Management Assn. Institute officials, when he took all 10 of the LOMA examinations comprising courses I and II this spring and completed both magna cum laude. Institute records reveal that no other student in the 26-year history of the institute has ever achieved this distinction.

**C. Carney Smith**, general agent of Mutual Benefit Life at Washington, D. C., has been elected district governor of Lions International for the Washington-Maryland area.

### Mutual Benefit Life Six Months Volume Up 26.8%

Mutual Benefit Life's ordinary life sales for the first six months were \$240,282,872 as compared to \$189,443,770 for the same period in 1957, an increase of 26.8%. In group insurance, which Mutual Benefit Life entered in April, 1957, the company reported a total of more than \$57 million in force. It now has 163 group life policies in force insuring approximately 8,000 lives.

## Deaths

**GUSTAVE OBERDORFER**, 75, retired agent for Equitable Society at New York, died. He had continued as a life producer after his retirement in 1953.

**EDWARD G. PIERSON**, 65, retired agent of Equitable Society at New York, Syracuse, Newark, Cleveland, Albany and Clearwater, Fla., died at New York. Mr. Pierson moved to Clearwater in 1954 and retired a year ago.

**BERTRAND S. POLASKY**, 67, agent of Equitable Society at New York, died. He had been with Equitable Society since 1936.

**THOMAS W. HENDRICKS**, 75, agent of Massachusetts Mutual at Pawtucket, R. I., and Providence, died in a Providence hospital. Mr. Hendricks had served as secretary of the White House staff during the Taft and Wilson administrations.

**JOHN L. TAYLOR**, 67, manager of the Springfield, Ill., office of Mutual Life of New York until his retirement in 1951, died. He had been with the company 4 years, beginning as an office employee in 1907. He was appointed manager at Springfield in 1926.

**ROBERT G. SIMPSON**, deputy chairman of General Accident at the head office since 1951, died at Perth, Scotland. He was formerly chairman of the company and of General Life.

**DR. JOSEPH E. WALKER**, 78, chairman of Universal Life of Memphis, the fourth largest Negro life company in the U. S., was shot to death while entering the home office building. A. W. Hamilton, formerly a close friend of Dr. Walker, has been arrested and accused of the murder for reasons of revenge. Mr. Hamilton claims he helped Dr. Walker organize Universal Life in the 1920s.

Dr. Walker was once described by Jet magazine as one of the 10 most influential Negroes in the nation. His son, Maceo Walker, is president of Universal Life.

**EDGAR R. YOUNG**, 84, southwestern Michigan district agent of Northwestern Mutual Life for 55 years and dean of Jackson area life agents, died in Myrtle Beach, S. C., while on a vacation trip with his son, Paul, and the latter's family. Death was the result of a stroke. Mr. Young had been in failing health for the past two years.

The veteran agent, who long served as a city commissioner and in other civic capacities, was the honored guest of his company in Milwaukee in 1953 when he completed 50 years with Northwestern Mutual.

He had represented the company continuously since graduating from Kalamazoo College.

Although he had retired as active

district agent Jan. 1, 1957, Mr. Young had continued as an agent emeritus.

His son, Paul, had been associated

with him in the agency for a number

of years. He and his son were widely

known for their ability as horsemen

and their interest in area horse shows.

They had appeared in such events

throughout the midwest for some

years.

The eastern region group pension sales and service office of **Pacific Mutual Life** has been transferred from Washington D. C. to the Fidelity-Philadelphia Trust building in Philadelphia.

## The NATIONAL UNDERWRITER

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Life Insurance*

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United, Ill.  
West S. Life  
West Coast  
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## Palmer Of Ind. Urges States Control Hospitals

State regulation of hospital rates was urged as an alternative to possible federal control by Commissioner Palmer of Indiana in a prepared paper read before Indiana hospital association officials of Indianapolis.

Mr. Palmer declared that the cost of hospital service has become so high that hospitalization insurance is in danger of being priced out of the market. Most of the seven other speakers on the program also complained about hospital rates.

"So far as concern over the state of Indiana taking such action," Mr. Palmer declared, "it is far better that our state does it rather than that we let conditions be a cause for federal control, with socialized medicine as an inevitable part of the program."

He named four ways in which hospitals could cut prices: (1) Cease admitting those who can be treated outside the hospital; (2) release patients as soon as they are able to leave; (3) eliminate loading board and room rates with expenses of nurses training; (4) stop budgeting for depreciation on buildings constructed with publicly-subscribed funds.

## Good Half Year For Life Insurance Investors

Net asset value of Life Insurance Investors as of July 31 was \$14,578,325, equal to \$15.86 per share on 919,042 shares presently outstanding, according to Raymond T. Smith, president. The gain in per share value was equal to 15.5% over the six month period. At July 31, the market value of the fund's portfolio was \$14,512,230. Realized gains in the half year were \$108,523 and unrealized gains \$1,849,203. The fund disposed of Canadian investments in Sun Life and Manufacturers Life and recently sold a block of Lincoln Liberty Life at a profit exceeding 100% on cost.

## Provident Mutual Life Scores Record Sales

Provident Mutual Life production during the first six months of 1958 was the largest for any half year period. Paid for life exceeded \$115 million, a gain of 19% over 1957 figures, while June paid for business exceeded \$20 million, a gain of 37%. A&S premiums increased 85% for the first six months and 68% for June.

## Stocks

By H. W. Cornelius, Bacon, Whipple & Co., 135 S. LaSalle St., Chicago, August 5, 1958

	Bid	Asked
Aetna Life	201	205
Beneficial Standard	15	16
Business Men's Assurance	73	76
Cal-Western States	91	95
Columbian National	110	115
Commonwealth Life	23 1/2	24 1/2
Connecticut General	305	310
Continental Assurance	133	136
Franklin Life	67	69
Great Southern Life	80	83
Gulf Life	25	26
Jefferson Standard	80 1/2	83
Kansas City Life	1400	1425
Liberty National Life	35	36 1/2
Life & Casualty	20 1/2	21 1/2
Life of Virginia	103 1/2	106
Lincoln National Life	197	202
National L. & A.	91	93
North American, Ill.	164	174
N. W. National Life	82	85
Ohio State Life	285	300
Old Line Life	43 1/2	Bid
Republic Nat'l. Life	52	54
Southland Life	97	100
Southwestern Life	108	112
Travelers	84	85
United, Ill.	33	34
U. S. Life	36 1/2	37 1/2
West Coast Life	36	37
Wisconsin National Life	63	65



F. W. Hubbell, president of Equitable Life of Iowa, was presented a testimonial book containing the signatures of 1,511 home office and field personnel on his 45th anniversary with the company. Making the presentation above is John Whelan, left, the second oldest home office employee, after Mr. Hubbell, in point of service.

## Three New Plans For American General

American General Life has brought out a "Cash Accumulation Protector" policy, minimum \$25,000, which offers increasing insurance benefits prior to age 65 equal to the cash value, in addition to the face amount.

Also introduced is an "Insure Insurability Rider." For an extra premium the insured can guarantee his right to purchase additional insurance at standard rates at specified future dates, regardless of his state of health.

A third plan is the "Dual Mortgage Cancellation" plan issued for 10, 15, 20, 25 and 30 year periods with premiums payable for 80% of the term period.

## Zone IV Commissioners Meet At Minneapolis, Sept. 30

National Assn. of Insurance Commissioners, Zone IV, will meet in Minneapolis Sept. 30-Oct. 1. Commissioner Sheehan of Minnesota will be host and Commissioner Jensen of North Dakota, zone chairman, will preside.

Reservations for the conference may be made directly with the Leamington Hotel, Minneapolis.

## F. A. DeLuca Joins Health Institute As News Writer

Frederick A. DeLuca has joined Health Insurance Institute as a news writer in the press information service. He has been a reporter, rewrite man, night cable editor and feature writer with the former International News Service, covering foreign, national, local and spot news reports. Before joining INS he was on the sports promotion staff of the New York Daily News.

## Pacific Mutual To Build New Arizona Headquarters

Pacific Mutual Life plans to build a new Arizona headquarters in Phoenix. The move will enable the company to house its Arizona agency, mortgage loan and group insurance operations in one building.

Land has been bought adjacent to Park Central shopping center in Phoenix, and a one-story office, set back from the street, will be built.

## Results For First Six Months Given

	1958 New Life Ins. Bus.	1957 New Life Ins. Bus.	1958 In Force Increase	1957 In Force Increase
American National	349,868,650	320,589,900	7,407,000	160,202,267
Baltimore Life <sup>a</sup>	22,097,000	186,625,223	118,831,563	29,178,681
Bankers Life of Iowa	182,446,938	46,609,170	40,069,798	15,149,604
Bankers Life of Nebraska	62,741,204	32,468,996	17,862,820	16,918,361
Beneficial Life	34,755,400	34,697,073 <sup>b</sup>	14,227,291	14,899,899
Central Life of Iowa	27,038,429	29,784,411	6,208,317	83,715,731
Columbus Mutual Life	134,413,999	122,476,395	52,730,414 <sup>b</sup>	111,117,921
Confederation Life	182,448,299	147,306,171	124,787,195	11,369,385
Crown Life	68,182,617	61,149,291	25,733,126	13,369,385
Federal L. & C.	237,888,919	209,764,000	153,352,382	153,926,920
Great-West Life	117,298,495	102,056,594	65,337,000	60,108,000
Guardian Life	22,243,242	16,336,117	9,322,749	6,064,692
Manufacturers Life	201,964,458	180,491,332	119,300,225	116,655,976
Mutual Life of Canada	177,526,731 <sup>b</sup>	163,504,940	130,347,342	124,606,443
National L. & A.	249,321,455	198,495,349	123,282,382	114,985,542
New England Life	447,490,706 <sup>b</sup>	451,432,671	276,392,572	304,415,576
North American L. & C.	101,262,540	94,448,736	59,714,351	62,088,013
North American Re <sup>c</sup>	154,255,025 <sup>b</sup>	142,510,051	25,418,184	26,880,452
Northeastern Life	11,123,589	11,123,589	12,790,650	12,790,650
Northwestern National Life	116,289,753	98,325,887	82,709,149	43,003,696
Penn Mutual Life	318,588,344	318,899,586	123,645,813	155,597,194
Peoples Life of Washington, D. C.	39,744,429	52,350,971	20,519,046	40,008,507
Phoenix Mutual Life	176,182,987	157,093,757	113,627,846	113,697,245
Southwestern Life	166,060,275	126,298,306	94,206,097	68,863,530
State Farm Life	129,005,956	136,048,061	55,493,281	1,304,948,992
State Mutual Life	156,227,393	143,367,413	72,576,180	62,641,626
Western Life	28,351,946	28,162,730	12,893,947	15,598,544

In addition, revivals and increases amounted to: <sup>a</sup> \$1,227,389 in 1958 and \$754,874 in 1957; <sup>b</sup> \$43,013,607; <sup>c</sup> \$14,017,089 in 1958 and \$8,611,097 in 1957; <sup>d</sup> \$35,201,061; <sup>e</sup> \$2,604,799.

<sup>a</sup> Figures include adjustment for term insurance under family plans.

<sup>b</sup> Basis on which insurance pensions were included was changed during 1958 to the insurance amount in place of cash value at maturity, causing a reduction in the gain figure of over \$26 million.

<sup>c</sup> Reinsurance only.

## YOU Can Start a Chain Reaction of Sales . . .

by Joining the March to N.A.A.I.C.\*

Your future with this company can grow . . . and grow:

### 1 New, Streamlined Life Portfolio!

NAAIC's Life lines have been revised—realistic, saleable rates.

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### 3 Outstanding Agency Contract!

Ask any North American Agent what he thinks of his contract! It's unbeatable!

There are other reasons, too, why top insurance men know it's smart business—profitable business to work with the North American Accident Insurance Company—Chicago.

- Top Commissions . . . Level A&H Renewals
- No Branch Offices To Compete With You
- Concrete Assistance — gets you off to the right start with hard-hitting sales aids and promotional materials.
- Extra Incentives to supplement your production achievements.

If You Are Interested In Making Money — Not Just Today But Years From Now—remember you can start a chain reaction of sales by writing

S. Robert Rauwolf, Vice President, Dept. J

\*The familiar abbreviation for the North American Accident Insurance Company—one of America's oldest and strongest personal insurance stock companies.



## North American Accident Insurance Company



Licensed to operate in the 48 states and the District of Columbia  
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209 SOUTH LA SALLE STREET • CHICAGO 4, ILLINOIS

## House SS Bill Is Broader Than Expected

(CONTINUED FROM PAGE 1)

the Senate finance committee are rescheduled. John H. Miller, vice-president and senior actuary of Monarch Life, will speak before the committee for American Life Convention and Life Insurance Assn. National Assn. of Life Underwriters expects to have its own speaker to present its views. Health Insurance Assn. may have a separate witness or may file a written statement. Committee witnesses, however, are allotted only 10 minutes each, hardly enough time to present a very comprehensive case.

### Doesn't Expect Much From Senate

The industry, at this point, doesn't feel it can expect too much from the Senate, if one is to judge from the approach of most representatives during the debate on the House floor and the top-heavy vote in favor of the bill. The prevailing tenor of congressional attitude seems to be summed up in the words of Rep. Anfuso who said: "My only regret is that the increase in benefits amounting to 7%, as recommended in the bill, is far from sufficient to cover the rise in the cost of living over the past few years."

Although, contrary to Rep. Anfuso's statement, the boost in benefits is somewhat more than any allowance

for inflationary reduction in the decreased value of the dollar, the rise was one that should have been expected from a Congress that would soon have to go before the voters in the coming election campaign. However adequate current social security benefits may be, level heads in the life field did not expect that the legislators would overlook this possibility for additional votes.

The major change which really caught the industry off balance was the House decision to raise the annual limit on taxable earnings from \$4,200 to \$4,800. The industry view, as stated by R. Edwin Wood, chairman of the NALU social security committee, when he appeared before the house ways and means committee, is that raising the wage base would result in the payment of higher benefits to the very people who are best able to take care of themselves, namely, those with above average earnings. The base rate raise is generally regarded as a change that will destroy the essential "floor of protection" concept.

A second jolt was served out by the repealing of the provision that now requires payment under other disability benefit systems to be offset against social security benefits. Under

the new House change a person qualified for both types of payment would be eligible for both in full.

About the only really favorable thing that can be said for the bill is that the House has finally faced up to strengthening the financing of the social security system and accelerating the tax schedule.

The bill provides for an increase in the scheduled tax rate by 0.25% each for employers and employees and 0.375% for the self-employed and provides for the scheduled increase in rates to take place every three years instead of five.

### Would Jump To 2% In 1959

Thus, the rate will jump to 2 1/2% in 1959 and climb to 4 1/2% in 1969. The industry supports such a provision on two grounds: It puts the program on a self-supporting basis, and it brings home that much quicker to the voter the fact that social security is not a government subsidy, but must be bought and paid for by the very voters who are pushing it through their legislators.

Rep. Byrnes, while supporting the bill, pointed out during the floor debate that a worker making \$4,800 a year would eventually have to pay \$216 in annual taxes when the full rate becomes effective in 1969.

## O'Mahoney's Probe Into Business Begins

(CONTINUED FROM PAGE 1)

chasers that the traffic would justify," the Wyoming senator declared.

Another field in which the subcommittee intends to seek some answers is the relationship of American aviation insurers with their counterparts in other countries, he added. "We are greatly concerned regarding the participation of American companies in international organizations of insurance groups, where they are exposed to the non-competitive philosophy of cartelized economies. We would like to know whether the American companies' association in such activities has been detrimental to the best interests of the American aviation industry."

There has been no serious study of aviation insurance since Civil Aeronautics Board published its report in 1944, Sen. O'Mahoney said. He participated in the Senate committee hearings on that report 14 years ago.

"In its study the CAB was extremely critical of the rating structure in the industry, of the high profits earned, and of the lack of competition," Sen. O'Mahoney observed.

In the hearings, the subcommittee will seek to determine what, if any, changes have been made during the intervening years.

"We will inquire into whether the American underwriters have acted in violation of the antitrust laws by combining to limit competition, to divide territory and to fix rates by agreement."

"It is of the greatest importance," he declared, "that Congress examine closely the operations of this industry to determine whether it has kept pace with the progress which has made America the leader in world aviation."

Donald McHugh, subcommittee counsel, indicated that he has had no formal contacts with National Assn. of Insurance Commissioners since the Chicago meeting of NAIC.

## Schrive Clarifies NALU Building Status

(CONTINUED FROM PAGE 1)

dition, a record of every contributor will be kept in an appropriate book and available to every visitor. It is my conviction that all these things will be consummated within the next 24 months. In fact, both NALU and the Life Underwriter Training Council have just negotiated new two-year leases in the belief and confidence that expectation that we shall be in our new building two years from today. Barring war or other unforeseen calamity, that expectation will be realized.

And let us get one more thing on the record. Let no man be disheartened or discouraged because of the fact that there may be some slight change in personnel or personalities in the picture. I know every one of the men who have been active in this enterprise from the beginning, and not one of them would do anything to hurt NALU or to delay the new building project. We have never had any rule or ruin people connected with this undertaking. Every man is a thoroughbred, and it would surprise me if you didn't find every one of them doing his utmost to see the project through. The enterprise is bigger than any man or committee of men, and I know that every member of any committee, past or present, will subscribe to that principle.

It isn't unusual to find differences of opinion among members of a family, especially if strong, capable personalities are involved. But among thoroughbreds you will find that all the members will turn to and fight for the family integrity and honor when it is challenged.

### Always Proud of Performance

So, there it is, stated as simply and as frankly as I am able. If you feel that I have over-played my role as prophet, remember that I have been active in this organization for more than 30 years. I have seen periods of stress, and sometimes I have witnessed some bitterness, but I have always been proud of the performance of our leaders when the chips were down and the welfare of the association was at stake.

It just happens that I know every person involved in any difference of opinion that has developed in connection with the building project—most of them I know intimately—it is therefore unthinkable to me that we shall fail to find a way to cooperate on a project, the decent solution of which is so very vital to our own reputation and the confidence of those who wish us well.

### Where Do We Go From Here?

That is my answer to your oft-repeated question, Where do we go from here? We go forward to keep our promises to our members, our contributors, and our friends. No other course would be worthy of us. Yes, our society makes progress on promises that are kept. We shall keep the promises we have made to all those whose good will and support is necessary to our very existence. The dream will indeed come true—and that right soon!

### Royal Neighbors To Issue More

Royal Neighbors has increased its maximum amount of insurance issued to \$10,000 at ages 0 to 5 and to \$5,000 at ages 6 to 60.

## WANT ADS

Rates—\$20 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 4 P.M. Friday of week before publication in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—LIFE EDITION

### STATE MANAGERS

Opportunities for four qualified men as state managers in Alabama, Mississippi, Louisiana, and Florida for United American Life Insurance Company. If you have at least two years college, five years ordinary life sales experience, earned at least \$6,000 one of those years from personal production, this is for you. You must have known ability to hire career insurance men and have resided at least three years in your state. Liberal drawing account to start, commissions, overwrite, and office allowance. Let United American prestige and progress help you to outstanding success. Contact John W. DuBois, Director of Agencies, United American Life Insurance Company, P.O. Box 1746, Atlanta 3, Ga.

### HOME OFFICE TRAINING DIRECTOR

Ambitious? Do you have experience in recruiting, training and supervision of ordinary agents? We want a man, age 30-42, who has a successful background in ordinary and who wants the opportunity to grow with a financially strong, aggressive young company now operating in three states and expanding rapidly. Salary open. Advancement to Director of Agencies and V.P. for producer. Applicant must stand thorough investigation as to character and past production record. All replies confidential.

BANKERS FIDELITY LIFE INSURANCE COMPANY  
1330 WEST PEACHTREE BUILDING  
ATLANTA 9, GEORGIA

### AGENCY SUPERINTENDENT

This is a message to a successful Life salesman, CLU, who has gone on to produce a record as agency supervisor.

We are an Ohio Life, Accident & Health, Hospitalization company, well established (41 yrs.), financially sound, who have reorganized our agency organization and now need a man who can build and produce.

Here is a wonderful opportunity for a builder where success will assure an expanding position and earning level.

Starting salary will be in the five figure bracket. In confidence send complete résumé with photo to Box B-38, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### EXCELLENT OPPORTUNITY

\$5 Million annual producing rate Agency now at point of adding supervisor. Unusual opportunity for young man between 28 and 35 who has sales and staff experience. Write in confidence to Lee Bonell, Massachusetts Mutual Life Insurance Company, 13273 Ventura Boulevard, Studio City, California.

### AVAILABLE SOON

RESIDENT SUPT. OF AGENCIES  
Very familiar with and prefer states of Minnesota, Iowa, Missouri, Nebraska and Colorado. Will also consider West Coast. Address Box B-86, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### MANAGERS WANTED INDIANAPOLIS & COLUMBUS

Growing Life affiliate of substantial Fire Insurance company wants Manager in Indianapolis and Columbus, Ohio. Attractive salary and bonus arrangement. You must be good—and, if you are—this opportunity will be good for you.

Qualifications: Successful experience as agent and supervisor.

All replies kept in strict confidence. Send résumé to Box NY-94, c/o The National Underwriter Co., Adv. Dept., 17 John St., New York 38, N. Y.

MANAGEMENT OPPORTUNITY—PHOENIX  
Large eastern mutual life company looking for district agent with organization experience for established office in Phoenix, Arizona. Will lead to general agency opportunity when individual has demonstrated ability to develop full-time organization. Address Box B-83, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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## Mutual Companies Set Up Own Committee

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mittee statement said, "because many people have the mistaken idea that mutual life insurance companies enjoy a special tax concession or 'loophole' when actually the taxes they pay are three times as great as the average on other forms of savings." The committee pointed out that the weight of these heavy taxes is borne by the individual policyholders of mutual companies.

According to the committee statement, the present form of life insurance taxation is "the result of happenstance and improvisation, not of anyone's plan, and even the U.S. Treasury is dissatisfied with it. In particular, the present law fails to recognize the true nature of mutual companies."

The new committee consists of five officers of mutual companies: Gerhard D. Bleicken, vice-president of John Hancock; Thomas A. Bradshaw, president of Provident Mutual Life; Louis W. Dawson, president of Mutual of New York; H. Ladd Plumley, president of State Mutual, and Walter G. Voecks, president of Lutheran Mutual Life.

### Will Maintain New York Offices

Clifford B. Reeves, vice-president of Mutual of New York and secretary of the new committee, will maintain offices for the group at 1740 Broadway. Roswell Magill, a senior partner of Cravath, Swaine & More, president of the Tax Foundation and former under-secretary of the Treasury, is the committee's counsel.

The committee contended that "Policyholders join mutual companies simply to obtain insurance protection at cost. Their premium payments are

### Total Receipts Plan Is Not Favored

(CONTINUED FROM PAGE 1)

would follow its application, would not be acceptable to the Treasury Department or Congress.

The Treasury has suggested a total receipts approach. The mutual companies, while not changing their original opinion that the individual policyholder approach is still the soundest, nevertheless have been trying to develop some version of the total receipts approach that would be equitable, and under which the mutual companies could live. Under the draft of a bill, based on the total receipts approach, which the mutual companies have developed, a specified minimum tax would be provided. The total receipts approach would call for a deduction for dividends paid to policyholders and for other forms of premium refund.

### Subjected To Income Tax

In the case of stock companies, however, where no dividend is paid to policyholders, the amounts accruing to stockholders would presumably be subject to income tax. The stock companies are understood, therefore, not to favor the total receipts approach because it would probably subject their underwriting profits, as well as investment income, to an income tax. Instead, they are reported to favor a tax following the so-called excess interest or modified investment taxable income solely to investment income.

The draft bill that the mutual companies have developed, it is reported, applies only to their own problems and does not attempt to deal with the stock companies or their tax situation.

## Western & Southern Life Moves Into Addition

Western & Southern Life has moved into its new \$4.5 million addition to its home office in Cincinnati.

The 7-story building—the fourth such addition since the original home office was erected in 1916—is constructed of reinforced concrete faced with Indiana limestone.

Passenger elevators have been replaced by escalators. On the first floor two walls are covered by Italian Cremo marble and the others by white

glass mosaic sprinkled with gold-colored inserts. The marble-and-mosaic combination has been repeated on the third floor cafeteria where 1,800 employees get a free lunch daily.

The fourth floor houses the electronic data processing apparatus and the top floor is being set aside for a bigger electronic brain.

Anchor agency of St. Paul has appointed Judd Halenza, manager of its newly formed life and A&S department. Mr. Halenza has been with Continental Casualty and Equitable Society.

## ACTUARIES

A

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There were 800,000 family plan policies purchased in 1957, covering 3.2 million persons for a total of \$8.5 billion of protection.

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AT  
KANSAS CITY LIFE,  
THE AGENT IS  
KEY MAN

MEMO

DEPT. C



KANSAS CITY LIFE INSURANCE CO.

FROM: W. E. Bixby, President  
TO: C. W. Arnold, Vice-Pres.- Supt. of Agencies  
SUBJECT: HIGHER PREMIUM PLANS

Dear Buz,

Our agents have been the key men of our thinking for 63 years and the continued success of our agents is foremost in our planning. Their success is after all, the key to our steady growth, and increased benefits to the insurance buyer.

Therefore, we continue to stress insurance contracts which produce the highest earnings for our agents. Certainly there is a need for our lower premium plans and protection, but all too often in the past, in keeping with all companies, our sales training material may have emphasized this too strongly and resulted in a drop in the average premium per policy.

Being keenly interested in the earnings and welfare of our agents, we place an even greater importance on higher premium insurance plans.

WEB:LB

Broadway at Armour in Kansas City, Missouri

